

Union Calendar No. 262

110TH CONGRESS
1ST SESSION

H. R. 3920

[Report No. 110–414, Part I]

To amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 2007

Mr. RANGEL (for himself, Mr. LEVIN, Mr. McDERMOTT, Mr. GEORGE MILLER of California, Mr. SMITH of Washington, Mr. STARK, Mr. NEAL of Massachusetts, Mr. LEWIS of Georgia, Mr. McNULTY, Mr. BECERRA, Mr. POMEROY, Mrs. JONES of Ohio, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. EMANUEL, Mr. BLUMENAUER, Mr. KIND, Mr. PASCRELL, Ms. BERKLEY, Mr. CROWLEY, Mr. VAN HOLLEN, Mr. MEEK of Florida, Ms. SCHWARTZ, Mr. DAVIS of Alabama, Mrs. TAUSCHER, Mr. BAIRD, Mr. BISHOP of New York, Mr. MICHAUD, Ms. WASSERMAN SCHULTZ, Mr. COURTNEY, Mr. HARE, and Mr. SESTAK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

OCTOBER 29, 2007

Additional sponsors: Ms. WOOLSEY, Ms. HARMAN, Mr. ETHERIDGE, Mr. ALTMIRE, Mrs. GILLIBRAND, Mr. SARBANES, Mr. HINOJOSA, and Mr. DONNELLY

OCTOBER 29, 2007

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

OCTOBER 29, 2007

Committees on Education and Labor and Energy and Commerce discharged;

committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on October 22, 2007]

A BILL

To amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Trade and Globalization Assistance Act of 2007”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Subtitle A—Trade Adjustment Assistance for Service Sector Workers; Expansion of Covered Shifts in Production; Expansion of Downstream Secondary Worker Eligibility

Sec. 101. Extension of trade adjustment assistance to services sector; shifts in production.

Sec. 102. Determinations by Secretary of Labor.

Sec. 103. Monitoring and reporting relating to service sector.

Subtitle B—Industry-Wide Trade Adjustment Assistance

Sec. 111. Industry-wide determinations.

Sec. 112. Notifications regarding affirmative determinations and safeguards.

Sec. 113. Notification to Secretary of Commerce.

Sec. 114. Restriction on eligibility for program benefits.

Subtitle C—Program Benefits

Sec. 121. Qualifying requirements for workers.

Sec. 122. Weekly amounts.

- Sec. 123. Limitations on trade readjustment allowances; allowances for extended training and breaks in training.*
- Sec. 124. Special rules for calculation of eligibility period.*
- Sec. 125. Application of State laws and regulations on good cause for waiver of time limits or late filing of claims.*
- Sec. 126. Employment and case management services.*
- Sec. 127. Training.*
- Sec. 128. Prerequisite education; approved training programs.*
- Sec. 129. Eligibility for unemployment insurance and program benefits while in training.*
- Sec. 130. Administrative expenses and employment and case management services.*
- Sec. 131. Job search and relocation allowances.*

Subtitle D—Health Care Provisions

- Sec. 141. Modifications relating health insurance assistance for certain TAA and PBGC pension recipients.*

Subtitle E—Wage Insurance

- Sec. 151. Reemployment trade adjustment assistance program for older workers.*

Subtitle F—Other Matters

- Sec. 161. Agreements with States.*
- Sec. 162. Fraud and recovery of overpayments.*
- Sec. 163. Technical amendments.*
- Sec. 164. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for Trade Adjustment Assistance.*
- Sec. 165. Collection of data and reports; information to workers.*
- Sec. 166. Extension of TAA program.*
- Sec. 167. Judicial review.*
- Sec. 168. Liberal construction of certification of workers and firms.*

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

- Sec. 201. Trade adjustment assistance for firms.*
- Sec. 202. Extension of authorization of trade adjustment assistance for firms.*
- Sec. 203. Industry-wide programs for the development of new services.*
- Sec. 204. Demonstration project on strategic trade transformation assistance.*

TITLE III—UNEMPLOYMENT INSURANCE

- Sec. 301. Short title.*
- Sec. 302. Special transfers to State accounts in the Unemployment Trust Fund.*
- Sec. 303. Extension of FUTA tax.*
- Sec. 304. Safety Net Review Commission.*

TITLE IV—MANUFACTURING REDEVELOPMENT ZONES

- Sec. 401. Manufacturing redevelopment zones.*
- Sec. 402. Delay in application of worldwide interest allocation.*

1 SEC. 2. FINDINGS.

2 Congress makes the following findings:

1 (1) *Since January 2001, the United States econ-*
2 *omy has lost nearly 3 million jobs in the manufac-*
3 *turing sector alone.*

4 (2) *Today, over 7.1 million people in the United*
5 *States are unemployed, and nearly 1.2 million of*
6 *those individuals have been unemployed for 6 months*
7 *or longer.*

8 (3) *While the United States manufacturing sec-*
9 *tor has been the hardest hit by increased unemploy-*
10 *ment, the United States service sector has also seen*
11 *declines as jobs have moved to low-cost labor markets,*
12 *such as China, India, and the Philippines.*

13 (4) *Promoting the economic growth and competi-*
14 *tiveness of the United States requires—*

15 (A) *opening substantial new markets for*
16 *United States goods, services, and farm products;*

17 (B) *building a strong framework of rules for*
18 *international trade to level the playing field for*
19 *United States workers and businesses in all sec-*
20 *tors of the economy; and*

21 (C) *helping those affected by globalization*
22 *overcome its challenges and succeed.*

23 (5) *Congress created the trade adjustment assist-*
24 *ance program in 1962 to provide United States work-*
25 *ers who lose their jobs because of foreign competition*

1 *with government-funded training and associated in-*
2 *come support to enable such workers to transition to*
3 *new, good-paying jobs.*

4 (6) *Unfortunately, the trade adjustment assist-*
5 *ance program has not kept pace with globalization*
6 *and it is failing to ensure that all workers adversely*
7 *affected by trade receive the assistance they need and*
8 *deserve.*

9 (7) *Workers in the service sector, who make up*
10 *approximately 80 percent of the United States work-*
11 *force, are ineligible for trade adjustment assistance.*

12 (8) *Inadequate funding for training leaves many*
13 *dislocated workers without access to the retraining*
14 *they need to find good-paying jobs.*

15 (9) *Unnecessary, unduly burdensome, and con-*
16 *fusing program eligibility rules prevent workers from*
17 *gaining access to benefits for which they are eligible.*

18 (10) *The health coverage tax credit suffers from*
19 *fundamental flaws and, as a result, the credit is not*
20 *being used by the vast majority of people who are eli-*
21 *gible for it, despite a clear need for access to afford-*
22 *able health care.*

23 (11) *To meet the challenges posed by*
24 *globalization and to preserve the critical role that*
25 *United States workers play in promoting the strength*

1 *and prosperity of the United States, the trade adjust-*
 2 *ment assistance program must be reformed.*

3 ***TITLE I—TRADE ADJUSTMENT***
 4 ***ASSISTANCE FOR WORKERS***

5 ***Subtitle A—Trade Adjustment As-***
 6 ***istance for Service Sector Work-***
 7 ***ers; Expansion of Covered Shifts***
 8 ***in Production; Expansion of***
 9 ***Downstream Secondary Worker***
 10 ***Eligibility***

11 ***SEC. 101. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE***
 12 ***TO SERVICES SECTOR; SHIFTS IN PRODUC-***
 13 ***TION.***

14 (a) *PETITIONS.*—*Section 221(a) of the Trade Act of*
 15 *1974 (19 U.S.C. 2271(a)(1)) is amended—*

16 (1) *in paragraph (1)—*

17 (A) *in the matter preceding subparagraph*

18 (A)—

19 (i) *by striking “Secretary” and insert-*
 20 *ing “Secretary of Labor”; and*

21 (ii) *by striking “or subdivision” and*
 22 *inserting (or subdivision) or public agency*
 23 *(or subdivision); and*

24 (B) *in subparagraph (A), by striking*
 25 *“firm)” and inserting “firm, and workers in a*

1 *service sector firm or subdivision of a service sec-*
 2 *tor firm, or public agency)”; and*

3 (2) *in paragraph (3), by inserting “and on the*
 4 *Website of the Department of Labor” after “Federal*
 5 *Register”.*

6 (b) *GROUP ELIGIBILITY REQUIREMENTS.—*

7 (1) *IN GENERAL.—Subsection (a) of section 222*
 8 *of the Trade Act of 1974 (19 U.S.C. 2272) is amend-*
 9 *ed—*

10 (A) *in the matter preceding paragraph (1),*
 11 *by striking “(including workers in any agricul-*
 12 *tural firm or subdivision of an agricultural*
 13 *firm)” and inserting “(other than workers in a*
 14 *public agency)”;*

15 (B) *in paragraph (2)—*

16 (i) *in subparagraph (A)(ii), by strik-*
 17 *ing “like or directly competitive with arti-*
 18 *cles produced” and inserting “or services*
 19 *like or directly competitive with articles*
 20 *produced or services provided”;* and

21 (ii) *by striking subparagraph (B) and*
 22 *inserting the following:*

23 “(B)(i) *there has been a shift, by such work-*
 24 *ers’ firm or subdivision to a foreign country, of*
 25 *production of articles, or in provision of services,*

1 *like or directly competitive with articles that are*
 2 *produced, or services that are provided, by such*
 3 *firm or subdivision; or*

4 *“(ii) such workers’ firm or subdivision has*
 5 *obtained or is likely to obtain articles or services*
 6 *described in clause (i) from a foreign country.”.*

7 (2) *WORKERS IN PUBLIC AGENCIES.*—*Such sec-*
 8 *tion is further amended—*

9 *(A) by redesignating subsections (b) and (c)*
 10 *as subsections (c) and (d), respectively; and*

11 *(B) by inserting after subsection (a) the fol-*
 12 *lowing:*

13 *“(b) ADVERSELY AFFECTED WORKERS IN PUBLIC*
 14 *AGENCIES.*—*A group of workers in a public agency shall*
 15 *be certified by the Secretary as eligible to apply for adjust-*
 16 *ment assistance under this chapter pursuant to a petition*
 17 *filed under section 221 if the Secretary determines that—*

18 *“(1) a significant number or proportion of the*
 19 *workers in the public agency, or an appropriate sub-*
 20 *division of the public agency, have become totally or*
 21 *partially separated, or are threatened to become to-*
 22 *tally or partially separated; and*

23 *“(2) the public agency or subdivision has ob-*
 24 *tained or is likely to obtain from a foreign country*

1 *services that would otherwise be provided by such*
 2 *agency or subdivision.”.*

3 (3) *ADVERSELY AFFECTED SECONDARY WORK-*
 4 *ERS.—Subsection (c) of such section (as redesignated*
 5 *by paragraph (2)(A) of this subsection) is amended—*

6 (A) *in the matter preceding paragraph (1),*
 7 *by striking “agricultural firm)” and inserting*
 8 *“agricultural firm, and workers in a service sec-*
 9 *tor firm or subdivision of a service sector firm)”;*

10 (B) *in paragraph (2)—*

11 (i) *by inserting “or service” after “re-*
 12 *lated to the article”; and*

13 (ii) *by striking “(c)(3)” and inserting*
 14 *“(d)(3)”;* and

15 (C) *in paragraph (3)(A), by striking “it*
 16 *supplied to the firm (or subdivision)” and in-*
 17 *serting “or services it supplied to the firm (or*
 18 *subdivision)”.*

19 (4) *DEFINITIONS AND ELIGIBILITY.—Subsection*
 20 *(d) of such section (as redesignated by paragraph*
 21 *(2)(A) of this subsection) is amended—*

22 (A) *by striking “(d) For purposes of this*
 23 *section—” and inserting “(d) DEFINITIONS AND*
 24 *ELIGIBILITY.—For purposes of this section:”*

25 (B) *in paragraph (3), to read as follows:*

1 “(3) *DOWNSTREAM PRODUCER.*—*The term*
 2 *‘downstream producer’ means a firm that performs*
 3 *additional, value-added production processes or serv-*
 4 *ices for a firm or subdivision, including a firm that*
 5 *performs final assembly, finishing, testing, packaging,*
 6 *or maintenance or transportation services directly for*
 7 *another firm (or subdivision), for articles or services*
 8 *that were the basis for a certification of eligibility*
 9 *under subsection (a) of a group of workers employed*
 10 *by such other firm (or subdivision).’;*

11 *(C) in paragraph (4)—*

12 *(i) by striking “for articles” and in-*
 13 *serting “, or services, used in the production*
 14 *of articles or in the provision of services, as*
 15 *the case may be,”; and*

16 *(ii) by inserting “(or subdivision)”*
 17 *after “such other firm”; and*

18 *(D) by adding at the end the following:*

19 “(5) *FIRMS IDENTIFIED BY ITC.*—*A petition filed*
 20 *under section 221 covering a group of workers from*
 21 *a firm or appropriate subdivision of a firm meets the*
 22 *requirements of subsection (a) if the firm is identified*
 23 *by the International Trade Commission under sub-*
 24 *section (c), (d), or (e) of section 224.’.*

1 (5) *BASIS FOR SECRETARY'S DETERMINA-*
2 *TIONS.—Such section is further amended by adding*
3 *at the end the following:*

4 “(e) *BASIS FOR SECRETARY'S DETERMINATIONS.—*

5 “(1) *INCREASED IMPORTS OF SERVICES.—For*
6 *purposes of subsection (a)(2)(A)(ii), the Secretary*
7 *may determine that increased imports of like or di-*
8 *rectly competitive services exist if the customers of the*
9 *workers' firm or subdivision accounting for not less*
10 *than 20 percent of the sales of the workers' firm or*
11 *subdivision (as the case may be) certify to the Sec-*
12 *retary that such customers are obtaining such services*
13 *from a foreign country.*

14 “(2) *SHIFT IN PRODUCTION; OBTAINING ARTI-*
15 *CLES OR SERVICES ABROAD.—For purposes of sub-*
16 *sections (a)(2)(B) and (b)(2), the Secretary may de-*
17 *termine that there has been a shift in production of*
18 *articles or provision of services, or that a workers'*
19 *firm or public agency, or subdivision thereof, has ob-*
20 *tained or is likely to obtain like or directly competi-*
21 *tive articles or services from a foreign country, based*
22 *on a certification thereof from the workers' firm, pub-*
23 *lic agency, or subdivision (as the case may be).*

24 “(3) *PROCESS AND METHODS FOR OBTAINING*
25 *CERTIFICATIONS.—*

1 “(A) *REQUEST BY PETITIONER.*—If re-
 2 *quested by the petitioner, the Secretary shall ob-*
 3 *tain the certifications under paragraphs (1) and*
 4 *(2) in such manner as the Secretary determines*
 5 *is appropriate, including by issuing subpoenas*
 6 *under section 249 when necessary.*

7 “(B) *PROTECTION OF CONFIDENTIAL INFOR-*
 8 *MATION.*—*The Secretary may not release infor-*
 9 *mation obtained under subparagraph (A) that*
 10 *the Secretary considers to be confidential busi-*
 11 *ness information unless the party submitting the*
 12 *confidential business information had notice, at*
 13 *the time of submission, that such information*
 14 *would be released by the Secretary, or such party*
 15 *subsequently consents to the release of the infor-*
 16 *mation. Nothing in this subparagraph shall be*
 17 *construed to prohibit a court from requiring the*
 18 *submission of such confidential business infor-*
 19 *mation to the court in camera.”.*

20 (c) *DEFINITIONS.*—*Section 247 of the Trade Act of*
 21 *1974 (19 U.S.C. 2319) is amended—*

22 (1) *in the matter preceding paragraph (1), by*
 23 *striking “chapter—” and inserting “chapter:”;*

24 (2) *in paragraph (1)—*

1 (A) by inserting “, or employment in a
2 public agency or appropriate subdivision of a
3 public agency,” after “of a firm”; and

4 (B) by striking “such firm or subdivision”
5 inserting “such firm (or subdivision) or public
6 agency (or subdivision)”;

7 (3) in paragraph (2), by striking “employ-
8 ment—” and all that follows and inserting “employ-
9 ment has been totally or partially separated from
10 such employment.”;

11 (4) by redesignating paragraphs (8) through (17)
12 as paragraphs (10) through (19), respectively; and

13 (5) by inserting after paragraph (6) the fol-
14 lowing:

15 “(7) The term ‘public agency’ means a depart-
16 ment or agency of a State or local government or of
17 the Federal Government.

18 “(8) The term ‘service sector firm’ means an en-
19 tity engaged in the business of providing services.

20 “(9) Except as otherwise provided, the term ‘Sec-
21 retary’ means the Secretary of Labor.”.

22 **SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.**

23 Section 223 of the Trade Act of 1974 (19 U.S.C. 2273)
24 is amended—

1 (1) in subsection (b), by striking “before his ap-
 2 plication” and all that follows and inserting “before
 3 the worker’s application under section 231 occurred
 4 more than one year before the date of the petition on
 5 which such certification was granted.”;

6 (2) in subsection (c), by striking “together with
 7 his reasons” and inserting “and on the Website of the
 8 Department of Labor, together with the Secretary’s
 9 reasons”; and

10 (3) in subsection (d), by striking “together with
 11 his reasons” and inserting “and on the Website of the
 12 Department of Labor, together with the Secretary’s
 13 reasons”.

14 **SEC. 103. MONITORING AND REPORTING RELATING TO**
 15 **SERVICE SECTOR.**

16 (a) *IN GENERAL*.—Section 282 of the Trade Act of
 17 1974 (19 U.S.C. 2393) is amended—

18 (1) in the heading, by striking “**SYSTEM**” and
 19 inserting “**AND DATA COLLECTION**”;

20 (2) in the first sentence—

21 (A) by striking “The Secretary” and insert-
 22 ing “(a) *MONITORING PROGRAMS*.—The Sec-
 23 retary”;

24 (B) by inserting “and services” after “im-
 25 ports of articles”;

1 (C) by inserting “and domestic provision of
2 services” after “domestic production”;

3 (D) by inserting “or providing services”
4 after “producing articles”; and

5 (E) by inserting “, or provision of services,”
6 after “changes in production”; and

7 (3) by adding at the end the following:

8 “(b) *COLLECTION OF DATA AND REPORTS ON SERVICE*
9 *SECTOR.*—

10 “(1) *SECRETARY OF LABOR.*—Not later than 90
11 days after the date of the enactment of the Trade and
12 Globalization Assistance Act of 2007, the Secretary of
13 Labor shall implement a system to collect data on ad-
14 versely affected workers employed in the service sector
15 that includes the number of workers by State, indus-
16 try, and cause of dislocation of each worker.

17 “(2) *SECRETARY OF COMMERCE.*—Not later than
18 1 year after such date of enactment, the Secretary of
19 Commerce shall, in consultation with the Secretary of
20 Labor, conduct a study and report to Congress on
21 ways to improve the timeliness and coverage of data
22 on trade in services, including methods to identify in-
23 creased imports due to the relocation of United States
24 firms to foreign countries, and increased imports due

1 to United States firms obtaining services from firms
2 in foreign countries.”.

3 (b) *CLERICAL AMENDMENT.*—The table of contents for
4 title II of the Trade Act of 1974 is amended by striking
5 the item relating to section 282 and inserting the following:

“Sec. 282. Trade monitoring and data collection.”.

6 ***Subtitle B—Industry-Wide Trade***
7 ***Adjustment Assistance***

8 ***SEC. 111. INDUSTRY-WIDE DETERMINATIONS.***

9 (a) *IN GENERAL.*—Subchapter A of chapter 2 of title
10 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
11 amended by adding after section 223 the following:

12 ***“SEC. 223A. INDUSTRY-WIDE DETERMINATIONS.***

13 “(a) *INVESTIGATION.*—Upon the request of the Presi-
14 dent or the United States Trade Representative, or the reso-
15 lution of either the Committee on Finance of the Senate
16 or the Committee on Ways and Means of the House of Rep-
17 resentatives, with respect to a domestic industry, or if the
18 Secretary certifies groups of workers in a domestic industry
19 under section 223(a) pursuant to 3 petitions within a 180-
20 day period, the Secretary shall promptly initiate an inves-
21 tigation under this chapter to determine the eligibility for
22 adjustment assistance of—

23 “(1) all workers in that domestic industry; or

24 “(2) all workers in that domestic industry in a
25 specific geographic region.

1 “(b) *DETERMINATION REGARDING INDUSTRY-WIDE*
 2 *CERTIFICATION.*—

3 “(1) *DETERMINATION.*—*The Secretary shall, not*
 4 *later than 60 days after receiving a request or resolu-*
 5 *tion described in subsection (a) with respect to a do-*
 6 *mestic industry, or making the third certification of*
 7 *workers in a domestic industry described in sub-*
 8 *section (a), as the case may be—*

9 “(A) *determine whether all adversely af-*
 10 *ected workers in that domestic industry are eli-*
 11 *gible to apply for assistance under this sub-*
 12 *chapter, in accordance with the criteria estab-*
 13 *lished under subsection (e); or*

14 “(B) *determine whether all adversely af-*
 15 *ected workers in that domestic industry in a*
 16 *specific geographic region are eligible to apply*
 17 *for assistance under this subchapter, in accord-*
 18 *ance with the criteria established under sub-*
 19 *section (e).*

20 “(c) *IDENTIFICATION AND CERTIFICATION.*—

21 “(1) *AFFIRMATIVE DETERMINATION.*—

22 “(A) *IN GENERAL.*—*Upon making an af-*
 23 *firmative determination under subsection (b), the*
 24 *Secretary shall—*

1 “(i) identify all firms operating within
2 the domestic industry described in para-
3 graph (1) or (2) or subsection (b) that are
4 covered by the determination; and

5 “(ii) certify all workers of such firms
6 as a group of workers eligible to apply for
7 assistance under this subchapter, without
8 any other determination of whether such
9 group meets the requirements of section 222.

10 “(B) OTHER REQUIREMENTS.—

11 “(i) IN GENERAL.—Each certification
12 under subparagraph (A)(ii) shall specify the
13 date on which the total or partial separa-
14 tion began or threatened to begin, except
15 that—

16 “(I) with respect to a request or a
17 resolution under subsection (a), such
18 date may not be a date that precedes
19 one year before the date on which the
20 Secretary receives the request or resolu-
21 tion, as the case may be; and

22 “(II) with respect to the third cer-
23 tification of workers in a domestic in-
24 dustry described in subsection (a), such
25 date may not be a date that precedes

1 *one year before the date on which the*
 2 *Secretary certifies the 3d such petition.*

3 “(ii) *INAPPLICABILITY.*—A *certifi-*
 4 *cation under subparagraph (A)(ii) shall not*
 5 *apply to any worker whose last total or*
 6 *partial separation from the firm occurred*
 7 *before the applicable date specified in clause*
 8 *(i).*

9 “(iii) *TRAINING BEFORE SEPARA-*
 10 *TION.*—Any worker covered by a *certifi-*
 11 *cation under subparagraph (A)(ii) shall be*
 12 *deemed to be an adversely affected worker*
 13 *for purposes of receiving training under sec-*
 14 *tion 236, without regard to whether the*
 15 *worker has been totally or partially sepa-*
 16 *rated from employment.*

17 “(2) *NEGATIVE DETERMINATION.*—If the *Sec-*
 18 *retary makes a negative determination under sub-*
 19 *section (b), the Secretary shall notify the Committee*
 20 *on Ways and Means of the House of Representatives*
 21 *and the Committee on Finance of the Senate of the*
 22 *reasons for the Secretary’s determination.*

23 “(3) *PUBLICATION.*—Upon making a *determina-*
 24 *tion under subsection (b), the Secretary shall prompt-*
 25 *ly publish a summary of the determination in the*

1 *Federal Register and on the Website of the Depart-*
2 *ment of Labor, together with the reasons for making*
3 *such determination.*

4 “(4) *TERMINATION.*—Whenever the Secretary de-
5 *termines that a certification under paragraph (1) is*
6 *no longer warranted, the Secretary shall terminate*
7 *the certification and promptly have notice of the ter-*
8 *mination published in the Federal Register and on*
9 *the Website of the Department of Labor, together with*
10 *the reasons for making such determination under this*
11 *paragraph. Such termination shall apply only with*
12 *respect to total or partial separations occurring after*
13 *the termination date specified by the Secretary.*

14 “(d) *OUTREACH.*—Upon making a certification under
15 *subsection (c)(1) of eligibility for adjustment assistance*
16 *under this chapter of a group of workers or all workers in*
17 *a domestic industry, the Secretary shall notify each Gov-*
18 *ernor of a State in which the workers are located of the*
19 *certification.*

20 “(e) *REGULATIONS.*—The Secretary shall, not later
21 *than 1 year after the date of the enactment of the Trade*
22 *and Globalization Assistance Act of 2007, issue regulations*
23 *for making determinations under this section, including*
24 *criteria for making such determinations. The Secretary*
25 *shall develop such regulations in consultation with the Com-*

1 *mittee on Ways and Means of the House of Representatives*
 2 *and the Committee on Finance of the Senate, and the Sec-*
 3 *retary shall submit such regulations to each such committee*
 4 *at least 60 days before the regulations go into effect.*

5 “(f) *DOMESTIC INDUSTRY DEFINED.*—*In this section,*
 6 *the term ‘domestic industry’ means an industry in the*
 7 *United States, as that industry is defined by the North*
 8 *American Industry Classification System.”.*

9 (b) *CLERICAL AMENDMENT.*—*The table of contents for*
 10 *title II of the Trade Act of 1974 is amended by inserting*
 11 *after the item relating to section 223 the following:*

“Sec. 223A. Industry-wide determinations.”.

12 (c) *CONFORMING AMENDMENTS.*—*Chapter 2 of title II*
 13 *of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amend-*
 14 *ed—*

15 (1) *in section 225—*

16 (A) *in subsection (a), in the last sentence by*
 17 *inserting “or 223A” after “223”; and*

18 (B) *in subsection (b)—*

19 (i) *in paragraph (1), by striking “sub-*
 20 *chapter A of this chapter” and inserting*
 21 *“this subchapter”; and*

22 (ii) *in paragraph (2), by striking*
 23 *“subchapter A” and inserting “this sub-*
 24 *chapter”; and*

25 (2) *in section 231—*

1 (A) in subsection (a)—

2 (i) in the matter preceding paragraph
3 (1), by striking “more than 60 days” and
4 all that follows through “section 221” and
5 inserting “on or after the date of such cer-
6 tification”; and

7 (ii) in paragraph (1)—

8 (I) in subparagraph (B), by in-
9 serting “or 223A (as the case may be)”
10 after “223”; and

11 (II) in subparagraph (C), by in-
12 serting “or 223A(c)(4), as the case may
13 be” after “223(d)”; and

14 (B) in subsection (b)—

15 (i) by striking paragraph (2); and

16 (ii) in paragraph (1)—

17 (I) by striking “(1)”;

18 (II) by redesignating subpara-
19 graphs (A) and (B) as paragraph (1)
20 and (2), respectively;

21 (III) by redesignating clauses (i)
22 and (ii) as subparagraphs (A) and
23 (B), respectively; and

1 (IV) by redesignating subclauses
 2 (I) and (II) as clauses (i) and (ii), re-
 3 spectively.

4 **SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DE-**
 5 **TERMINATIONS AND SAFEGUARDS.**

6 (a) *IN GENERAL.*—Section 224 of the Trade Act of
 7 1974 (19 U.S.C. 2274) is amended—

8 (1) in the heading, by striking “**STUDY BY**
 9 **SECRETARY OF LABOR WHEN INTERNATIONAL**
 10 **TRADE COMMISSION BEGINS INVESTIGATION**”
 11 and inserting “**STUDY AND NOTIFICATIONS RE-**
 12 **GARDING TRADE REMEDY DETERMINATIONS**”;

13 (2) in subsection (a), by striking “Whenever”
 14 and inserting “**STUDY OF DOMESTIC INDUSTRY.—**
 15 **Whenever**”;

16 (3) in subsection (b)—

17 (A) by striking “The report” and inserting
 18 “**REPORT BY THE SECRETARY.—The report**”;

19 (B) by striking “his report” and inserting
 20 “the Secretary’s report”; and

21 (C) by inserting “and on the Website of the
 22 Department of Labor” after “Federal Register”;
 23 and

24 (4) by adding at the end the following:

1 “(c) *NOTIFICATIONS REGARDING AFFIRMATIVE SAFE-*
 2 *GUARD DETERMINATIONS UNDER SECTION 202.*—Upon
 3 *issuing an affirmative finding regarding serious injury, or*
 4 *the threat thereof, to a domestic industry, under section 202,*
 5 *the Commission shall notify the Secretary and the Secretary*
 6 *of Commerce of that finding and the identity of the firms*
 7 *which comprise the domestic industry.*

8 “(d) *NOTIFICATIONS REGARDING AFFIRMATIVE DE-*
 9 *TERMINATIONS UNDER SECTION 421.*—Upon issuing an af-
 10 *firmative determination of market disruption, or the threat*
 11 *thereof, under section 421, the Commission shall notify the*
 12 *Secretary and the Secretary of Commerce of that determina-*
 13 *tion and the identity of the firms which comprise the af-*
 14 *fected domestic industry.*

15 “(e) *NOTIFICATIONS REGARDING AFFIRMATIVE DE-*
 16 *TERMINATIONS UNDER TARIFF ACT OF 1930.*—Upon
 17 *issuing a final affirmative determination of injury, or the*
 18 *threat thereof, under section 705 or section 735 of the Tariff*
 19 *Act of 1930 (19 U.S.C. 1671d and 1673d), the Commission*
 20 *shall notify the Secretary and the Secretary of Commerce*
 21 *of that determination and the identity of the firms which*
 22 *comprise the affected domestic industry.*

23 “(f) *NOTIFICATION OF INDUSTRY AND WORKER REP-*
 24 *RESENTATIVES.*—Whenever the Commission makes a notifi-
 25 *cation under subsection (c), (d), or (e)—*

1 “(1) the Secretary shall—

2 “(A) notify the firms identified by the Com-
3 mission as comprising the domestic industry af-
4 fected, and any certified or recognized union or
5 other duly authorized representatives of the
6 workers in such industry, of the allowances,
7 training, employment services, and other benefits
8 available under this chapter, and the procedures
9 under this chapter for filing petitions and apply-
10 ing for benefits;

11 “(B) notify the Governor of each State in
12 which one or more firms described in subpara-
13 graph (A) are located of the Commission’s deter-
14 mination and the identity of the firms; and

15 “(C) provide the necessary assistance to em-
16 ployers, groups of workers, and any certified or
17 recognized union or other duly authorized rep-
18 resentatives of such workers to file petitions
19 under section 221; and

20 “(2) the Secretary of Commerce shall—

21 “(A) notify the firms identified by the Com-
22 mission as comprising the domestic industry af-
23 fected of the benefits under chapter 3 and the
24 procedures under such chapter for filing petitions
25 and applying for benefits; and

1 “(B) provide the necessary assistance to
2 firms to file petitions under section 251.”.

3 (b) *CLERICAL AMENDMENT.*—The table of contents for
4 title II of the Trade Act of 1974 is amended by striking
5 the item relating to section 224 and inserting the following:

“Sec. 224. Study and notifications regarding trade remedy determinations.”.

6 **SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.**

7 Section 225 of the Trade Act of 1974 (19 U.S.C. 2275)
8 is amended by adding at the end the following:

9 “(c) Upon issuing a certification under section 223 or
10 223A, the Secretary shall notify the Secretary of Commerce
11 of the identify of the firm or firms that are covered by the
12 certification.”.

13 **SEC. 114. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
14 **BENEFITS.**

15 (a) *IN GENERAL.*—Subchapter A of chapter 2 of title
16 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
17 amended by adding at the end the following new section:

18 **“SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
19 **BENEFITS.**

20 “No benefit allowances, training, or other employment
21 services may be provided under this chapter to a worker
22 who is an alien unless the alien is an individual lawfully
23 admitted for permanent residence to the United States, is
24 lawfully present in the United States, or is permanently
25 residing in the United States under color of law.”.

1 (b) *CONFORMING AMENDMENT.*—*The table of contents*
 2 *of the Trade Act of 1974 is amended by adding after the*
 3 *item relating to section 225 the following:*

“226. Restriction on eligibility for program benefits.”.

4 ***Subtitle C—Program Benefits***

5 ***SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.***

6 (a) *IN GENERAL.*—*Subsection (a)(5)(A)(ii) of section*
 7 *231 of the Trade Act of 1974 (19 U.S.C. 2291) is amend-*
 8 *ed—*

9 (1) *by striking subclauses (I) and (II) and in-*
 10 *serting the following:*

11 “(I) *in the case of a worker whose most*
 12 *recent total separation from adversely af-*
 13 *ected employment that meets the require-*
 14 *ments of paragraphs (1) and (2) occurs*
 15 *after the date on which the Secretary issues*
 16 *a certification covering the worker, the last*
 17 *day of the 26th week after such total separa-*
 18 *tion,*

19 “(II) *in the case of a worker whose*
 20 *most recent total separation from adversely*
 21 *affected employment that meets the require-*
 22 *ments of paragraphs (1) and (2) occurs be-*
 23 *fore the date on which the Secretary issues*
 24 *a certification covering the worker, the last*

1 *day of the 26th week after the date of such*
 2 *certification,”; and*

3 *(2) in subclause (III)—*

4 *(A) by striking “later of the dates specified*
 5 *in subclause (I) or (II)” and inserting “date*
 6 *specified in subclause (I) or (II), as the case may*
 7 *be”; and*

8 *(B) by striking “or” at the end;*

9 *(3) by redesignating subclause (IV) as subclause*
 10 *(V); and*

11 *(4) by inserting after subclause (III) the fol-*
 12 *lowing:*

13 *“(IV) the last day of such period that*
 14 *the Secretary determines appropriate, if the*
 15 *failure to enroll is due to the failure to pro-*
 16 *vide the worker with timely information re-*
 17 *garding the date specified in subclause (I)*
 18 *or (II), as the case may be, or”.*

19 *(b) WAIVERS OF TRAINING REQUIREMENTS.—Sub-*
 20 *section (c) of such section 231 is amended—*

21 *(1) in paragraph (1)(B)—*

22 *(A) by striking “The worker possesses” and*
 23 *inserting*

24 *“(i) IN GENERAL.—The worker pos-*
 25 *sesses”;*

1 (B) by moving the remaining text 2 ems to
2 the right; and

3 (C) by adding at the end the following:

4 “(i) *MARKETABLE SKILLS DEFINED.*—

5 *For purposes of clause (i), the term ‘market-*
6 *able skills’ may include the possession of a*
7 *postgraduate degree from an institution of*
8 *higher education (as defined in section*
9 *101(a) of the Higher Education Act of*
10 *1965) or equivalent foreign institution, or*
11 *the possession of an equivalent postgraduate*
12 *certification in a specialized field.”; and*

13 (2) in paragraph (3)—

14 (A) in subparagraph (A), by striking “may
15 authorize” and inserting “shall authorize”;

16 (B) by redesignating subparagraph (B) as
17 subparagraph (C); and

18 (C) by inserting after subparagraph (A) the
19 following:

20 “(B) *DURATION OF WAIVERS.*—A waiver
21 issued under paragraph (1) by a cooperating
22 State shall be effective for not more than 3
23 months after the date on which the waiver is
24 issued, except that the State, upon reviewing the
25 waiver, may extend the waiver for an additional

1 *period of not more than 3 months if the State de-*
 2 *termines that the waiver should be maintained.”.*

3 (c) *DETERMINATIONS OF ELIGIBILITY BY STATE EM-*
 4 *PLOYEES APPOINTED ON MERIT BASIS.*—*Such section 231*
 5 *is further amended by adding at the end the following:*

6 “(d) *DETERMINATIONS OF ELIGIBILITY BY STATE EM-*
 7 *PLOYEES APPOINTED ON MERIT BASIS.*—*All determina-*
 8 *tions of eligibility for trade readjustment allowances under*
 9 *this part shall be made by employees of the State who are*
 10 *appointed on a merit basis.”.*

11 (d) *CONFORMING AMENDMENT.*—*Section 233 of the*
 12 *Trade Act of 1974 (19 U.S.C. 2293) is amended by striking*
 13 *subsection (b) and redesignating subsections (c) through (g)*
 14 *as subsections (b) through (f), respectively.*

15 **SEC. 122. WEEKLY AMOUNTS.**

16 (a) *IN GENERAL.*—*Section 232 of the Trade Act of*
 17 *1974 (19 U.S.C. 2292) is amended—*

18 (1) *in subsection (a)—*

19 (A) *by striking “subsections (b) and (c)”*
 20 *and inserting “subsections (b), (c), and (d)”;*

21 (B) *by striking “total unemployment” the*
 22 *first place it appears and inserting “unemploy-*
 23 *ment”;* *and*

24 (C) *in paragraph (2), by adding at the end*
 25 *before the period the following: “, except that in*

1 *the case of an adversely affected worker who is*
2 *participating in full-time training under this*
3 *chapter, such income shall not include earnings*
4 *from work for such week that are equal to or less*
5 *than the most recent weekly benefit amount of*
6 *the unemployment insurance payable to the*
7 *worker for a week of total unemployment pre-*
8 *ceding the worker's first exhaustion of unemploy-*
9 *ment insurance (as determined for purposes of*
10 *section 231(a)(3)(B))”;*

11 *(2) by redesignating subsections (b) and (c) as*
12 *subsections (c) and (d), respectively; and*

13 *(3) by inserting after subsection (a) the fol-*
14 *lowing:*

15 *“(b)(1) Notwithstanding section 231(a)(3)(B), if an*
16 *adversely affected worker who is participating in training*
17 *qualifies for unemployment insurance under State law,*
18 *based in whole or in part upon part-time or short-term em-*
19 *ployment following approval of the worker's initial trade*
20 *readjustment allowance application under section 231(a),*
21 *then for any week for which unemployment insurance is*
22 *payable and for which the worker would otherwise be enti-*
23 *tled to a trade readjustment allowance based upon the cer-*
24 *tification under section 223, the worker shall, in addition*
25 *to any such unemployment insurance, be paid a trade read-*

1 *justment allowance in the amount described in paragraph*
 2 *(2).*

3 “(2) *The trade readjustment allowance payable under*
 4 *paragraph (1) shall be equal to the weekly benefit amount*
 5 *of the unemployment insurance upon which the worker’s*
 6 *trade readjustment allowance was initially determined*
 7 *under subsection (a), reduced by—*

8 “(A) *the amount of the unemployment insurance*
 9 *benefit payable to such worker for that week of unem-*
 10 *ployment for which a trade readjustment allowance is*
 11 *payable under paragraph (1); and*

12 “(B) *the amounts described in paragraphs (1)*
 13 *and (2) of subsection (a).”.*

14 (b) *CONFORMING AMENDMENTS.—Section 233 of the*
 15 *Trade Act of 1974 (19 U.S.C. 2293) is amended—*

16 (1) *in subsection (a)(1), by striking “section*
 17 *232(a)” and inserting “subsections (a) and (b) of sec-*
 18 *tion 232”; and*

19 (2) *in subsection (c), by striking “section 232(b)”*
 20 *and inserting “section 232(c).”.*

21 **SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOW-**
 22 **ANCES; ALLOWANCES FOR EXTENDED TRAIN-**
 23 **ING AND BREAKS IN TRAINING.**

24 *Section 233(a) of the Trade Act of 1974 (19 U.S.C.*
 25 *2293(a)) is amended—*

1 (1) in paragraph (2), by inserting “under para-
2 graph (1)” after “trade readjustment allowance”;

3 (2) in paragraph (3)—

4 (A) in the matter preceding subparagraph
5 (A)—

6 (i) by striking “52 additional weeks”
7 and inserting “78 additional weeks”; and

8 (ii) by striking “52-week” and insert-
9 ing “91-week”; and

10 (B) in the matter following subparagraph
11 (B), by striking “52-week” and inserting “91-
12 week”.

13 **SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGI-**
14 **BILITY PERIOD.**

15 Section 233 of the Trade Act of 1974 (19 U.S.C. 2293)
16 is amended by adding at the end the following:

17 “(g) **SPECIAL RULE FOR CALCULATING SEPARA-**
18 **TION.**—Notwithstanding any other provision of this chap-
19 ter, any period during which a judicial or administrative
20 appeal is pending with respect to the denial by the Sec-
21 retary of a petition under section 223 shall not be counted
22 for purposes of calculating the period of separation under
23 subsection (a)(2) or for purposes of calculating time periods
24 specified in section 231(a)(5)(A).

1 “(h) *SPECIAL RULE FOR JUSTIFIABLE CAUSE.*—The
 2 *Secretary may extend the periods during which trade read-*
 3 *justment allowances are payable to an adversely affected*
 4 *worker under paragraphs (2) and (3) of subsection (a) and*
 5 *under subsection (f) (but not the maximum amounts of such*
 6 *allowances that are payable under this section), if the Sec-*
 7 *retary determines that there is justifiable cause for such an*
 8 *extension, such as the failure to provide the worker with*
 9 *timely information, delays in certification due to adminis-*
 10 *trative reconsideration or judicial review, or justifiable*
 11 *breaks in training that exceed the period allowable under*
 12 *subsection (e).”.*

13 **SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS**
 14 **ON GOOD CAUSE FOR WAIVER OF TIME LIM-**
 15 **ITS OR LATE FILING OF CLAIMS.**

16 *Section 234 of the Trade Act of 1974 (19 U.S.C. 2294)*
 17 *is amended—*

18 (1) *by striking “Except where inconsistent” and*
 19 *inserting “(a) IN GENERAL.—Except where incon-*
 20 *sistent”; and*

21 (2) *by adding at the end the following:*

22 “(b) *STATE LAWS AND REGULATIONS ON GOOD CAUSE*
 23 *FOR WAIVER OF TIME LIMITS OR LATE FILING OF*
 24 *CLAIMS.—Any law or regulation of a cooperating State*
 25 *under section 239 that allows for a waiver for good cause*

1 *of any time limit, including a waiver for good cause to*
 2 *allow the late filing of any claim, for trade readjustment*
 3 *allowances or other adjustment assistance under this chap-*
 4 *ter shall, in the administration of the program by the State*
 5 *under this chapter, apply to the applicable time limitation*
 6 *referred to or specified in this chapter or any regulation*
 7 *prescribed to carry out this chapter.”.*

8 **SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERV-**
 9 **ICES.**

10 *(a) IN GENERAL.—Section 235 of the Trade Act of*
 11 *1974 (19 U.S.C. 2295) is amended to read as follows:*

12 **“SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERV-**
 13 **ICES.**

14 *“The Secretary shall provide, directly or through*
 15 *agreements with States under section 239, to adversely af-*
 16 *ected workers covered by a certification under subchapter*
 17 *A of this chapter the following employment and case man-*
 18 *agement services:*

19 *“(1) Comprehensive and specialized assessment*
 20 *of skill levels and service needs, including through—*

21 *“(A) diagnostic testing and use of other as-*
 22 *essment tools; and*

23 *“(B) in-depth interviewing and evaluation*
 24 *to identify employment barriers and appropriate*
 25 *employment goals.*

1 “(2) *Development of an individual employment*
2 *plan to identify employment goals and objectives, and*
3 *appropriate training to achieve those goals and objec-*
4 *tives.*

5 “(3) *Information on training available in local*
6 *and regional areas, information on individual coun-*
7 *seling to determine which training is suitable train-*
8 *ing, and information on how to apply for such train-*
9 *ing.*

10 “(4) *Information on how to apply for financial*
11 *aid, including referring workers to educational oppor-*
12 *tunity centers under section 402F of the Higher Edu-*
13 *cation Act of 1965, where applicable, and notifying*
14 *workers that the workers may ask financial aid ad-*
15 *ministrators at institutions of higher education to*
16 *allow use of their current year income in the finan-*
17 *cial aid process.*

18 “(5) *Short-term prevocational services, including*
19 *development of learning skills, communications skills,*
20 *interviewing skills, punctuality, personal mainte-*
21 *nance skills, and professional conduct to prepare in-*
22 *dividuals for employment or training.*

23 “(6) *Individual career counseling, including job*
24 *search and placement counseling, during the period*
25 *in which the individual is receiving a trade adjust-*

1 *ment allowance or training under this chapter, and*
 2 *for purposes of job placement after receiving such*
 3 *training.*

4 *“(7) Provision of employment statistics informa-*
 5 *tion, including the provision of accurate information*
 6 *relating to local, regional, and national labor market*
 7 *areas, including—*

8 *“(A) job vacancy listings in such labor mar-*
 9 *ket areas;*

10 *“(B) information on jobs skills necessary to*
 11 *obtain jobs identified in job vacancy listings de-*
 12 *scribed in subparagraph (A);*

13 *“(C) information relating to local occupa-*
 14 *tions that are in demand and earnings potential*
 15 *of such occupations; and*

16 *“(D) skills requirements for local occupa-*
 17 *tions described in subparagraph (C).*

18 *“(8) Supportive services, including services relat-*
 19 *ing to child care, transportation, dependent care,*
 20 *housing assistance, and need-related payments that*
 21 *are necessary to enable an individual to participate*
 22 *in training.”.*

23 *(b) CLERICAL AMENDMENT.—The item relating to sec-*
 24 *tion 235 in the table of contents for title II of the Trade*
 25 *Act of 1974 is amended to read as follows:*

“235. Employment and case management services.”.

1 **SEC. 127. TRAINING.**

2 (a) *IN GENERAL.*—Subsection (a)(1) of section 236 of
3 the Trade Act of 1974 (19 U.S.C. 2296) is amended by
4 striking the last sentence.

5 (b) *FUNDING.*—Subsection (a)(2) of such section is
6 amended—

7 (1) in subparagraph (A), to read as follows:

8 “(A) The total amount of payments that may be made
9 under paragraph (1) for each of the fiscal years 2008 and
10 2009 shall not exceed \$440,000,000. The total amount of
11 payments that may be made under paragraph (1) for fiscal
12 year 2010 and each subsequent fiscal year shall not exceed
13 \$660,000,000.”; and

14 (2) by striking subparagraph (B) and inserting
15 the following:

16 “(B) Not later than 120 days after the date of the en-
17 actment of the Trade and Globalization Assistance Act of
18 2007, the Secretary shall establish and implement proce-
19 dures for the allocation among the States in each fiscal year
20 of funds available to pay the costs of training for workers
21 under this section. The Secretary shall, at least 60 days be-
22 fore the date on which the procedures described in this sub-
23 paragraph are first implemented, consult with the Com-
24 mittee on Ways and Means of the House of Representatives
25 and the Committee on Finance of the Senate with respect
26 to such procedures.

1 “(C) *In establishing and implementing the procedures*
2 *under subparagraph (B), the Secretary shall—*

3 “(i) *provide for at least 3 distributions of funds*
4 *available for training in the fiscal year, and, in the*
5 *first such distribution, disburse not more than 50 per-*
6 *cent of the total amount of funds available for train-*
7 *ing in that fiscal year;*

8 “(ii) *consider using a broad range of factors for*
9 *the allocation of training funds distributed to States*
10 *for each fiscal year, including factors such as—*

11 “(I) *the number of workers certified under*
12 *sections 223 and 223A in the preceding fiscal*
13 *year;*

14 “(II) *the total number of workers certified*
15 *under sections 223 and 223A that are enrolled in*
16 *training approved under this section;*

17 “(III) *the minimum level of funding nec-*
18 *essary to provide training approved under this*
19 *section; and*

20 “(IV) *notifications under the Worker Ad-*
21 *justment and Retraining Notification Act or*
22 *other layoff notifications;*

23 “(iii) *after the initial distribution of training*
24 *funds to States at the beginning of each fiscal year,*
25 *provide for subsequent distributions of training funds*

1 *remaining, based on the factors described in clause*
 2 *(ii) (but, in the case of the factor described in sub-*
 3 *clause (I) of clause (ii), based on data from the pre-*
 4 *ceding 2 fiscal quarters) if a State requests the dis-*
 5 *tribution of the remaining funds;*

6 *“(iv) ensure that any final distribution of funds*
 7 *during a fiscal year is made not later than July 1*
 8 *of that fiscal year; and*

9 *“(v) develop an explicit policy for re-capture and*
 10 *redistribution of training funds, to the extent such re-*
 11 *capture and redistribution of training funds is nec-*
 12 *essary.”.*

13 *(c) DETERMINATIONS REGARDING TRAINING.—Sub-*
 14 *section (a)(9) of such section is amended—*

15 *(1) by striking “The Secretary” and inserting*
 16 *“(A) Subject to subparagraph (B), the Secretary”;*
 17 *and*

18 *(2) by adding at the end the following:*

19 *“(B)(i) In determining under paragraph (1)(E)*
 20 *whether a worker is qualified to undertake and complete*
 21 *training, the Secretary may not disallow training for a pe-*
 22 *riod longer than the worker’s period of eligibility for trade*
 23 *readjustment allowances under part I if the worker dem-*
 24 *onstrates that the worker has sufficient financial resources*

1 to complete the training after the expiration of the worker's
 2 period of eligibility for such trade readjustment allowances.

3 “(ii) In determining the reasonable cost of training
 4 under paragraph (1)(F) with respect to a worker, the Sec-
 5 retary may consider whether other public or private funds
 6 are reasonably available to the worker, except that the Sec-
 7 retary may not require a worker to obtain such funds as
 8 a condition of approval of training under paragraph (1).”.

9 (d) DETERMINATIONS OF ELIGIBILITY BY STATE EM-
 10 PLOYEES APPOINTED ON MERIT BASIS.—Such section is
 11 further amended—

12 (1) by redesignating subsections (e) and (f) as
 13 subsections (f) and (g), respectively; and

14 (2) by inserting after subsection (d) the fol-
 15 lowing:

16 “(e) DETERMINATIONS OF ELIGIBILITY BY STATE EM-
 17 PLOYEES APPOINTED ON MERIT BASIS.—All determina-
 18 tions of eligibility for training under this section shall be
 19 made by employees of the State who are appointed on a
 20 merit basis.”.

21 (e) GAO STUDY AND REPORT.—

22 (1) STUDY.—The Comptroller General of the
 23 United States shall conduct a study of the procedures
 24 for the allocation of training funds for workers under
 25 subparagraphs (B) and (C) of section 236(a)(2) of the

1 *Trade Act of 1974 (19 U.S.C. 2296), as added by sub-*
2 *section (a) of this section, that are established and*
3 *implemented by the Secretary of Labor pursuant to*
4 *such section. In carrying out the study, the Comp-*
5 *troller General shall examine the overall adequacy of*
6 *funding for training for workers by State and the ef-*
7 *fectiveness of the procedures for allocating training*
8 *funds between States and among workers.*

9 (2) *REPORTS.—*

10 (A) *INTERIM REPORT.—The Comptroller*
11 *General of the United States shall submit to the*
12 *Committee on Ways and Means of the House of*
13 *Representatives and the Committee on Finance*
14 *of the Senate an interim report that contains the*
15 *results of the study conducted under paragraph*
16 *(1) for the first fiscal year with respect to which*
17 *the procedures described in paragraph (1) are*
18 *implemented.*

19 (B) *FINAL REPORT.—The Comptroller Gen-*
20 *eral of the United States shall submit to the*
21 *Committee on Ways and Means of the House of*
22 *Representatives and the Committee on Finance*
23 *of the Senate a final report that contains the re-*
24 *sults of the study conducted under paragraph (1)*
25 *for the first three fiscal years with respect to*

1 *which the procedures described in paragraph (1)*
 2 *are implemented.*

3 **SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAINING**
 4 **PROGRAMS.**

5 *(a) IN GENERAL.—Section 236(a)(5) of the Trade Act*
 6 *of 1974 (19 U.S.C. 2296(a)(5)) is amended—*

7 *(1) in subparagraph (A)—*

8 *(A) by striking “and” at the end of clause*
 9 *(i);*

10 *(B) by adding “and” at the end of clause*
 11 *(ii); and*

12 *(C) by inserting after clause (ii) the fol-*
 13 *lowing:*

14 *“(iii) apprenticeship programs registered*
 15 *under the National Apprenticeship Act (29*
 16 *U.S.C. 50 et seq.),”;*

17 *(2) by redesignating subparagraphs (E) and (F)*
 18 *as subparagraphs (F) and (G), respectively;*

19 *(3) by inserting after subparagraph (D) the fol-*
 20 *lowing:*

21 *“(E) any program of prerequisite education or*
 22 *coursework required to enroll in training that may be*
 23 *approved under this section,”;*

24 *(4) in subparagraph (F)(ii), as redesignated by*
 25 *paragraph (1), by striking “and” at the end;*

1 (5) in subparagraph (G), as redesignated by
 2 paragraph (1), by striking the period at the end and
 3 inserting “; and”; and

4 (6) by adding at the end the following:

5 “(H) any training program or coursework at an
 6 accredited institution of higher education (as defined
 7 in section 101(a) of the Higher Education Act of
 8 1965), including a training program or coursework
 9 for the purpose of—

10 “(i) obtaining a degree or certification; or

11 “(ii) completing a degree or certification
 12 that the worker had previously begun at an ac-
 13 credited institution of higher education.

14 The Secretary may not limit approval of a training pro-
 15 gram under paragraph (1) to a program provided pursuant
 16 to title I of the Workforce Investment Act of 1998.”.

17 (b) CONFORMING AMENDMENTS.—Section 233 of the
 18 Trade Act of 1974 (19 U.S.C. 2293) is amended—

19 (1) in subsection (a)(2), by inserting “pre-
 20 requisite education or” after “requires a program of”;
 21 and

22 (2) in subsection (f) (as redesignated by section
 23 121(d) of this Act), by inserting “prerequisite edu-
 24 cation or” after “includes a program of”.

1 **SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE**
 2 **AND PROGRAM BENEFITS WHILE IN TRAIN-**
 3 **ING.**

4 *(a) IN GENERAL.—Section 236(d) of the Trade Act of*
 5 *1974 (19 U.S.C. 2296(d)) is amended to read as follows:*

6 *“(d) ELIGIBILITY.—A worker may not be determined*
 7 *to be ineligible or disqualified for unemployment insurance*
 8 *or program benefits under this subchapter—*

9 *“(1) because the worker—*

10 *“(A) is enrolled in training approved under*
 11 *subsection (a); or*

12 *“(B) left work—*

13 *“(i) that was not suitable employment*
 14 *to enter such training; or*

15 *“(ii) that the worker engaged in on a*
 16 *temporary basis during a break in such*
 17 *training or a delay in the commencement of*
 18 *such training; or*

19 *“(2) because the provisions of State law or Fed-*
 20 *eral unemployment insurance law relating to avail-*
 21 *ability for work, active search for work, or refusal to*
 22 *accept work apply to a week of training approved*
 23 *under subsection (a).”.*

24 *(b) DEFINITION.—Subchapter B of chapter 2 of title*
 25 *II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.) is*
 26 *amended—*

1 (1) in section 233(d) (as redesignated by section
2 121(d) of this Act), by inserting “suitable” before “on-
3 the-job training”; and

4 (2) in section 236—

5 (A) by inserting “suitable” before “on-the-
6 job training” each place it appears; and

7 (B) by adding at the end the following:

8 “(h) *SUITABLE ON-THE-JOB TRAINING.*—For purposes
9 of this section, the term ‘suitable on-the-job training’ means
10 on-the-job training—

11 “(1) that can reasonably be expected to lead to
12 suitable employment;

13 “(2) that is compatible with the skills of the
14 worker;

15 “(3) that—

16 “(A) involves a curriculum through which
17 the worker learns the skills necessary for the job
18 for which the worker is being trained; and

19 “(B) can be measured by benchmarks that
20 indicate that the worker is learning such skills;
21 and

22 “(4) that is certified by the State as an on-the-
23 job training program that meets the requirements of
24 paragraph (3).”.

1 **SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT**
 2 **AND CASE MANAGEMENT SERVICES.**

3 (a) *IN GENERAL.*—Part II of subchapter B of chapter
 4 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 *et*
 5 *seq.*) is amended by inserting after section 236 the following:

6 **“SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE**
 7 **EXPENSES AND EMPLOYMENT AND CASE**
 8 **MANAGEMENT SERVICES.**

9 “(a) *ADMINISTRATIVE EXPENSES.*—

10 “(1) *IN GENERAL.*—The Secretary shall provide
 11 to each State that receives a payment under section
 12 236 for a fiscal year an additional payment for such
 13 fiscal year in an amount that is not less than 15 per-
 14 cent of the amount of the payment under section 236.

15 “(2) *USE OF FUNDS.*—A State that receives an
 16 additional payment under paragraph (1) shall use
 17 the payment for administration of the trade adjust-
 18 ment assistance for workers program under this chap-
 19 ter, including for—

20 “(A) processing of waivers of training re-
 21 quirements under section 231;

22 “(B) collecting of data required under this
 23 chapter; and

24 “(C) providing services under section 235.

25 “(3) *ADMINISTRATION REQUIREMENT.*—Funds
 26 provided to a State under this subsection for a fiscal

1 *year that are in excess of the amount of funds pro-*
 2 *vided to the State for administration of the trade ad-*
 3 *justment assistance for workers program under this*
 4 *chapter for fiscal year 2007 may only be adminis-*
 5 *tered by employees of the State who are appointed on*
 6 *a merit basis.*

7 “(b) *ADDITIONAL FUNDING FOR EMPLOYMENT AND*
 8 *CASE MANAGEMENT SERVICES.—*

9 “(1) *IN GENERAL.—The Secretary shall provide*
 10 *to each State that receives a payment under section*
 11 *236 for a fiscal year an additional payment for such*
 12 *fiscal year in an amount that is not less than .06 per-*
 13 *cent of the total amount of payments that may be*
 14 *made in that fiscal year as described in section*
 15 *236(a)(2).*

16 “(2) *USE OF FUNDS.—A State that receives an*
 17 *additional payment under paragraph (1) shall use*
 18 *the payment for providing services under section 235.*

19 “(3) *ADMINISTRATION REQUIREMENT.—Funds*
 20 *provided to a State under this subsection may only*
 21 *be administered by employees of the State who are*
 22 *appointed on a merit basis.*

23 “(c) *FUNDING.—Funds provided to the States under*
 24 *this section shall not be counted toward the limitation con-*
 25 *tained in section 236(a)(2)(A).”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of contents for*
 2 *title II of the Trade Act of 1974 is amended by inserting*
 3 *after the item relating to section 236 the following:*

*“Sec. 236A. Additional payments for administrative expenses and employment
and case management services.”.*

4 **SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.**

5 (a) *JOB SEARCH ALLOWANCES.*—*Section 237 of the*
 6 *Trade Act of 1974 (19 U.S.C. 2297) is amended—*

7 (1) *in subsection (a)(2)(C)(ii), by striking “, un-*
 8 *less the worker received a waiver under section*
 9 *231(c)”;* *and*

10 (2) *in subsection (b)—*

11 (A) *in paragraph (1), by striking “90 per-*
 12 *cent of the cost of” and inserting “all”;* *and*

13 (B) *in paragraph (2), by striking “\$1,250”*
 14 *and inserting “\$1,500”.*

15 (b) *RELOCATION ALLOWANCES.*—*Section 238 of the*
 16 *Trade Act of 1974 (19 U.S.C. 2298) is amended—*

17 (1) *in subsection (a)(2)(E)(ii), by striking “, un-*
 18 *less the worker received a waiver under section*
 19 *231(c)”;* *and*

20 (2) *in subsection (b)—*

21 (A) *in paragraph (1), by striking “90 per-*
 22 *cent of the” and inserting “all”;* *and*

23 (B) *in paragraph (2), by striking “\$1,250”*
 24 *and inserting “\$1,500”.*

1 ***Subtitle D—Health Care Provisions***

2 ***SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE***

3 ***ASSISTANCE FOR CERTAIN TAA AND PBGC***

4 ***PENSION RECIPIENTS.***

5 *(a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—*

6 *(1) IN GENERAL.—Subsection (a) of section 35 of*
 7 *the Internal Revenue Code of 1986 is amended by*
 8 *striking “65 percent” and inserting “85 percent”.*

9 *(2) CONFORMING AMENDMENT.—Subsection (b)*
 10 *of section 7527 of such Code is amended by striking*
 11 *“65 percent” and inserting “85 percent”.*

12 *(b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT*
 13 *COMPENSATION AND NOT ENROLLED IN TRAINING PRO-*
 14 *GRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section*
 15 *35(c) of such Code is amended to read as follows:*

16 *“(2) ELIGIBLE TAA RECIPIENT.—The term ‘eligi-*
 17 *ble TAA recipient’ means, with respect to any month,*
 18 *any individual who—*

19 *“(A) is receiving for any day of such month*
 20 *a trade readjustment allowance under chapter 2*
 21 *of title II of the Trade Act of 1974, or*

22 *“(B) who is receiving unemployment com-*
 23 *pensation (as defined in section 85) for such*
 24 *month and who would be eligible to receive such*
 25 *allowance for such month if section 231 of such*

1 *Act were applied without regard to subsections*
 2 *(a)(3)(B) and (a)(5) thereof.*

3 *An individual shall continue to be treated as an eligi-*
 4 *ble TAA recipient during the first month that such*
 5 *individual would otherwise cease to be an eligible*
 6 *TAA recipient by reason of the preceding sentence.”.*

7 *(c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE*
 8 *RETROACTIVE TO TAA-RELATED LOSS OF EMPLOYMENT.—*
 9 *Subsection (c) of section 35 of such Code is amended by*
 10 *adding at the end the following new paragraph:*

11 *“(5) RETROACTIVE ELIGIBILITY FOR TAA RECIPI-*
 12 *ENTS.—In the case of any individual who is an eligi-*
 13 *ble TAA recipient or eligible alternative TAA recipi-*
 14 *ent for any month, such individual shall be treated as*
 15 *an eligible individual for any month which precedes*
 16 *such month and which begins after the later of—*

17 *“(A) the date of the separation from em-*
 18 *ployment which gives rise to such individual*
 19 *being an eligible TAA recipient or eligible alter-*
 20 *native TAA recipient, or*

21 *“(B) December 31, 2007.”.*

22 *(d) CONTINUED QUALIFICATION OF FAMILY MEMBERS*
 23 *AFTER CERTAIN EVENTS.—*

24 *(1) IN GENERAL.—Subsection (g) of section 35 of*
 25 *such Code is amended by redesignating paragraph (9)*

1 as paragraph (10) and inserting after paragraph (8)
2 the following new paragraph:

3 “(9) *CONTINUED QUALIFICATION OF FAMILY*
4 *MEMBERS AFTER CERTAIN EVENTS.*—

5 “(A) *MEDICARE ELIGIBILITY.*—*In the case*
6 *of any month which would be an eligible cov-*
7 *erage month with respect to an eligible indi-*
8 *vidual but for subsection (f)(2)(A), such month*
9 *shall be treated as an eligible coverage month*
10 *with respect to such eligible individual solely for*
11 *purposes of determining the amount of the credit*
12 *under this section with respect to any qualifying*
13 *family members of such individual (and any ad-*
14 *vance payment of such credit under section*
15 *7527). This subparagraph shall only apply with*
16 *respect to the first 36 months after such eligible*
17 *individual is first entitled to the benefits de-*
18 *scribed in subsection (f)(2)(A).*

19 “(B) *DIVORCE.*—*In the case of the finaliza-*
20 *tion of a divorce between an eligible individual*
21 *and such individual’s spouse, such spouse shall*
22 *be treated as an eligible individual for purposes*
23 *of this section and section 7527 for a period of*
24 *36 months beginning with the date of such final-*
25 *ization, except that the only qualifying family*

1 *members who may be taken into account with re-*
2 *spect to such spouse are those individuals who*
3 *were qualifying family members immediately be-*
4 *fore such finalization.*

5 *“(C) DEATH.—In the case of the death of*
6 *an eligible individual—*

7 *“(i) any spouse of such individual (de-*
8 *termined at the time of such death) shall be*
9 *treated as an eligible individual for pur-*
10 *poses of this section and section 7527 for a*
11 *period of 36 months beginning with the date*
12 *of such death, except that the only quali-*
13 *fying family members who may be taken*
14 *into account with respect to such spouse are*
15 *those individuals who were qualifying fam-*
16 *ily members immediately before such death,*
17 *and*

18 *“(ii) any individual who was a quali-*
19 *fying family member of the decedent imme-*
20 *diately before such death (or, in the case of*
21 *an individual to whom paragraph (4) ap-*
22 *plies, the taxpayer to whom the deduction*
23 *under section 151 is allowable) shall be*
24 *treated as an eligible individual for pur-*
25 *poses of this section and section 7527 for a*

1 *period of 36 months beginning with the date*
 2 *of such death, except that in determining*
 3 *the amount of such credit only such quali-*
 4 *fying family member may be taken into ac-*
 5 *count.”.*

6 (2) *CONFORMING AMENDMENT.—Section 173(f)*
 7 *of the Workforce Investment Act of 1998 (29 U.S.C.*
 8 *2918(f)) is amended by adding at the end the fol-*
 9 *lowing:*

10 “(8) *CONTINUED QUALIFICATION OF FAMILY*
 11 *MEMBERS AFTER CERTAIN EVENTS.—*

12 “(A) *MEDICARE ELIGIBILITY.—In the case*
 13 *of any month which would be an eligible cov-*
 14 *erage month with respect to an eligible indi-*
 15 *vidual but for paragraph (7)(B)(i), such month*
 16 *shall be treated as an eligible coverage month*
 17 *with respect to such eligible individual solely for*
 18 *purposes of determining the eligibility of quali-*
 19 *fying family members of such individual under*
 20 *this subsection. This subparagraph shall only*
 21 *apply with respect to the first 36 months after*
 22 *such eligible individual is first entitled to the*
 23 *benefits described in paragraph (7)(B)(i).*

24 “(B) *DIVORCE.—In the case of the finaliza-*
 25 *tion of a divorce between an eligible individual*

1 *and such individual's spouse, such spouse shall*
2 *be treated as an eligible individual for purposes*
3 *of this subsection for a period of 36 months be-*
4 *ginning with the date of such finalization, except*
5 *that the only qualifying family members who*
6 *may be taken into account with respect to such*
7 *spouse are those individuals who were qualifying*
8 *family members immediately before such final-*
9 *ization.*

10 *“(C) DEATH.—In the case of the death of*
11 *an eligible individual—*

12 *“(i) any spouse of such individual (de-*
13 *termined at the time of such death) shall be*
14 *treated as an eligible individual for pur-*
15 *poses of this subsection for a period of 36*
16 *months beginning with the date of such*
17 *death, except that the only qualifying fam-*
18 *ily members who may be taken into account*
19 *with respect to such spouse are those indi-*
20 *viduals who were qualifying family mem-*
21 *bers immediately before such death, and*

22 *“(ii) any individual who was a quali-*
23 *fying family member of the decedent imme-*
24 *diately before such death shall be treated as*
25 *an eligible individual for purposes this sub-*

1 *section for a period of 36 months beginning*
 2 *with the date of such death, except that no*
 3 *qualifying family members may be taken*
 4 *into account with respect to such indi-*
 5 *vidual.”.*

6 *(e) MODIFICATION OF CREDITABLE COVERAGE RE-*
 7 *QUIREMENT.—*

8 *(1) IN GENERAL.—Subparagraph (B) of section*
 9 *35(e)(2) of such Code is amended to read as follows:*

10 *“(B) QUALIFYING INDIVIDUAL.—For pur-*
 11 *poses of this paragraph, the term ‘qualifying in-*
 12 *dividual’ means an eligible individual and the*
 13 *qualifying family members of such individual if*
 14 *such individual meets the requirements of clauses*
 15 *(iii) and (iv) of subsection (b)(1)(A) and—*

16 *“(i) in the case of an eligible TAA re-*
 17 *ipient or an eligible alternative TAA re-*
 18 *ipient, has (as of the date on which the in-*
 19 *dividual seeks to enroll in the coverage de-*
 20 *scribed in subparagraphs (B) through (H)*
 21 *of paragraph (1)) a period of creditable cov-*
 22 *erage (as defined in section 9801(c)), or*

23 *“(ii) in the case of an eligible PBGC*
 24 *pension recipient, enrolls in such coverage*

1 *during the 90-day period beginning on the*
 2 *later of—*

3 “(I) *the last day of the first*
 4 *month with respect to which such re-*
 5 *cipient becomes an eligible PBGC pen-*
 6 *sion recipient, or*

7 “(II) *the date of the enactment of*
 8 *this subparagraph.*”.

9 (2) *CONFORMING AMENDMENT.—Clause (ii) of*
 10 *section 172(f)(2)(B) of the Workforce Investment Act*
 11 *of 1998 (29 U.S.C. 2918(f)(2)(B)) is amended to read*
 12 *as follows:*

13 “(ii) *QUALIFYING INDIVIDUAL.—For*
 14 *purposes of this subparagraph, the term*
 15 *‘qualifying individual’ means an eligible*
 16 *individual and the qualifying family mem-*
 17 *bers of such individual if such individual*
 18 *meets the requirements of clauses (iii) and*
 19 *(iv) of section 35(b)(1)(A) of the Internal*
 20 *Revenue Code of 1986 and—*

21 “(I) *in the case of an eligible TAA*
 22 *recipient or an eligible alternative*
 23 *TAA recipient, has (as of the date on*
 24 *which the individual seeks to enroll in*
 25 *the coverage described in clauses (ii)*

1 *through (viii) of subparagraph (A)) a*
 2 *period of creditable coverage (as de-*
 3 *defined in section 9801(c) of such Code),*
 4 *or*

5 *“(II) in the case of an eligible*
 6 *PBGC pension recipient, enrolls in*
 7 *such coverage during the 90-day period*
 8 *beginning on the later of—*

9 *“(aa) the last day of the first*
 10 *month with respect to which such*
 11 *recipient becomes an eligible*
 12 *PBGC pension recipient, or*

13 *“(bb) the date of the enact-*
 14 *ment of this clause.”.*

15 (3) *OUTREACH.—The Secretary of the Treasury*
 16 *shall carry out a program to notify individuals prior*
 17 *to their becoming eligible PBGC pension recipients*
 18 *(as defined in section 35 of the Internal Revenue Code*
 19 *of 1986) of the requirement of subsection (e)(2)(B)(ii)*
 20 *of such section, as added by this subsection.*

21 (f) *TAA PRE-CERTIFICATION PERIOD RULE FOR PUR-*
 22 *POSES OF DETERMINING WHETHER THERE IS A 63-DAY*
 23 *LAPSE IN CREDITABLE COVERAGE.—*

24 (1) *IRC AMENDMENT.—Section 9801(c)(2) of the*
 25 *Internal Revenue Code of 1986 (relating to not count-*

ing periods before significant breaks in creditable coverage) is amended by adding at the end the following new subparagraph:

“(D) TAA-ELIGIBLE INDIVIDUALS.—

“(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

“(ii) DEFINITIONS.—The terms ‘TAA-eligible individual’, and ‘TAA-related loss of coverage’ have the meanings given such terms in section 4980B(f)(5)(C)(iv).”.

(2) ERISA AMENDMENT.—Section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)) is amended by adding at the end the following new subparagraph:

1 “(C) TAA-ELIGIBLE INDIVIDUALS.—

2 “(i) TAA PRE-CERTIFICATION PERIOD
3 RULE.—In the case of a TAA-eligible indi-
4 vidual, the period beginning on the date the
5 individual has a TAA-related loss of cov-
6 erage and ending on the date that is 5 days
7 after the postmark date of the notice by the
8 Secretary (or by any person or entity des-
9 ignated by the Secretary) that the indi-
10 vidual is eligible for a qualified health in-
11 surance costs credit eligibility certificate for
12 purposes of section 7527 of the Internal
13 Revenue Code of 1986 shall not be taken
14 into account in determining the continuous
15 period under subparagraph (A).

16 “(ii) DEFINITIONS.—The terms ‘TAA-
17 eligible individual’, and ‘TAA-related loss of
18 coverage’ have the meanings given such
19 terms in section 605(b)(4)(c).”.

20 (3) PHSA AMENDMENT.—Section 2701(c)(2) of
21 the Public Health Service Act (42 U.S.C. 300gg(c)(2))
22 is amended by adding at the end the following new
23 subparagraph:

24 “(C) TAA-ELIGIBLE INDIVIDUALS.—

1 “(i) *TAA PRE-CERTIFICATION PERIOD*
2 *RULE.—In the case of a TAA-eligible indi-*
3 *vidual, the period beginning on the date the*
4 *individual has a TAA-related loss of cov-*
5 *erage and ending on the date that is 5 days*
6 *after the postmark date of the notice by the*
7 *Secretary (or by any person or entity des-*
8 *ignated by the Secretary) that the indi-*
9 *vidual is eligible for a qualified health in-*
10 *surance costs credit eligibility certificate for*
11 *purposes of section 7527 of the Internal*
12 *Revenue Code of 1986 shall not be taken*
13 *into account in determining the continuous*
14 *period under subparagraph (A).*

15 “(ii) *DEFINITIONS.—The terms ‘TAA-*
16 *eligible individual’, and ‘TAA-related loss of*
17 *coverage’ have the meanings given such*
18 *terms in section 2205(b)(4)(c).’.*

19 (g) *RATING SYSTEM REQUIREMENT FOR CERTAIN*
20 *STATE-BASED COVERAGE.—*

21 (1) *IN GENERAL.—Subparagraph (A) of section*
22 *35(e)(2) of such Code is amended by adding at the*
23 *end the following new clause:*

24 “(v) *RATING SYSTEM REQUIREMENT.—*
25 *In the case of coverage described in para-*

graph (1)(F)(ii), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.”.

(2) *CONFORMING AMENDMENT.*—Clause (i) of section 173(f)(2)(B) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(B)) is amended by adding at the end the following new subclause:

“(V) *RATING SYSTEM REQUIREMENT.*—In the case of coverage described in subparagraph (A)(vi)(II), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with re-

1 *spect to eligible individuals and their*
2 *qualifying family members.”.*

3 *(h) TERMINATION OF PROGRAM.—*

4 *(1) IN GENERAL.—Section 35 of such Code is*
5 *amended by adding at the end the following new sub-*
6 *section:*

7 *“(h) TERMINATION.—An individual shall not be treat-*
8 *ed as an eligible individual for purposes of this section or*
9 *section 7527 for any month beginning after December 31,*
10 *2009, unless such individual was an eligible individual for*
11 *a continuous period of months ending with such month and*
12 *beginning before such date.”.*

13 *(2) CONFORMING AMENDMENT.—Subsection (f) of*
14 *section 173 of the Workforce Investment Act of 1998*
15 *(29 U.S.C. 2918) is amended by adding at the end the*
16 *following new paragraph:*

17 *“(8) TERMINATION.—An individual shall not be*
18 *treated as an eligible individual for purposes of this*
19 *subsection for any month beginning after December*
20 *31, 2009, unless such individual was an eligible indi-*
21 *vidual for a continuous period of months ending with*
22 *such month and beginning before such date.”.*

23 *(i) EFFECTIVE DATE.—*

24 *(1) IN GENERAL.—Except as otherwise provided*
25 *in this subsection, the amendments made by this sec-*

1 *tion shall apply to months beginning after December*
 2 *31, 2007, in taxable years ending after such date.*

3 (2) *RATING SYSTEM REQUIREMENT.—The*
 4 *amendments made by subsection (g) shall apply to*
 5 *months beginning after March 31, 2008, in taxable*
 6 *years ending after such date.*

7 (3) *DISCRETION TO DELAY EFFECTIVE DATE FOR*
 8 *PURPOSES OF ADVANCE PAYMENT PROGRAM.—Solely*
 9 *for purposes of carrying out the advance payment*
 10 *program under section 7527, the Secretary may pro-*
 11 *vide that one or more amendments made by sub-*
 12 *sections (b), (c), and (d) shall not apply to one or*
 13 *more months beginning before March 31, 2008, to the*
 14 *extent that the Secretary determines that such delay*
 15 *is necessary to properly implement any such amend-*
 16 *ment as part of such program.*

17 (j) *GAO STUDY AND REPORT.—*

18 (1) *STUDY.—The Comptroller General of the*
 19 *United States shall conduct a study regarding the*
 20 *health insurance tax credit allowed under section 35*
 21 *of the Internal Revenue Code of 1986.*

22 (2) *REPORT.—Not later than March 1, 2009, the*
 23 *Comptroller General shall submit a report to Congress*
 24 *regarding the results of the study conducted under*

1 *paragraph (1). Such report shall include an analysis*
2 *of—*

3 *(A) the administrative costs—*

4 *(i) of the Federal Government with re-*
5 *spect to such credit and the advance pay-*
6 *ment of such credit under section 7527 of*
7 *such Code, and*

8 *(ii) of providers of qualified health in-*
9 *surance with respect to providing such in-*
10 *surance to eligible individuals and their*
11 *qualifying family members,*

12 *(B) the health status and relative risk status*
13 *of eligible individuals and qualifying family*
14 *members covered under such insurance,*

15 *(C) participation in such credit and the ad-*
16 *vance payment of such credit by eligible individ-*
17 *uals and their qualifying family members, in-*
18 *cluding the reasons why such individuals did or*
19 *did not participate and the effect of the amend-*
20 *ments made by this section on such participa-*
21 *tion, and*

22 *(D) the extent to which eligible individuals*
23 *and their qualifying family members—*

24 *(i) obtained health insurance other*
25 *than qualifying health insurance, or*

1 (ii) went without health insurance cov-
2 erage.

3 (3) *ACCESS TO RECORDS.*—For purposes of con-
4 ducting the study required under this subsection, the
5 Comptroller General and any of his duly authorized
6 representatives shall have access to, and the right to
7 examine and copy, all documents, records, and other
8 recorded information—

9 (A) within the possession or control of pro-
10 viders of qualified health insurance, and

11 (B) determined by the Comptroller General
12 (or any such representative) to be relevant to the
13 study.

14 The Comptroller General shall not disclose the iden-
15 tity of any provider of qualified health insurance or
16 any eligible individual in making any information
17 obtained under this section available to the public.

18 (4) *DEFINITIONS.*—Any term which is defined in
19 section 35 of the Internal Revenue Code of 1986 shall
20 have the same meaning when used in this subsection.

21 ***Subtitle E—Wage Insurance***

22 ***SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-*** 23 ***ANCE PROGRAM FOR OLDER WORKERS.***

24 (a) *IN GENERAL.*—Section 246 of the Trade Act of
25 1974 (19 U.S.C. 2318) is amended—

1 (1) *by amending the heading to read as follows:*

2 **“REEMPLOYMENT TRADE ADJUSTMENT ASSIST-**
 3 **ANCE”;**

4 (2) *in subsection (a)—*

5 (A) *in paragraph (1), by striking “alter-*
 6 *native” and inserting “reemployment”;*

7 (B) *in paragraph (2)(A), by striking “for a*
 8 *period not to exceed 2 years” and inserting “for*
 9 *the eligibility period under paragraph (3)(C)”;*
 10 *and*

11 (C) *by striking paragraphs (3) through (5)*
 12 *and inserting the following:*

13 **“(3) ELIGIBILITY.—**

14 **“(A) IN GENERAL.—***A group of workers cer-*
 15 *tified under subchapter A as eligible for adjust-*
 16 *ment assistance under subchapter A is eligible*
 17 *for benefits described in paragraph (2) under the*
 18 *program established under paragraph (1).*

19 **“(B) INDIVIDUAL ELIGIBILITY.—***A worker*
 20 *in a group of workers described in subparagraph*
 21 *(A) may elect to receive benefits described in*
 22 *paragraph (2) under the program established*
 23 *under paragraph (1) if the worker—*

24 **“(i) is at least 50 years of age;**

1 “(ii) earns not more than \$60,000 each
2 year in wages from reemployment;

3 “(iii)(I) is employed on a full-time
4 basis as defined by State law in the State
5 in which the worker is employed; or

6 “(II) is employed at least 20 hours per
7 week and is enrolled in training approved
8 under section 236; and

9 “(iv) does not return to the employ-
10 ment from which the worker was separated.

11 In the case of a worker described in clause
12 (iii)(II), the percentage referred to in paragraph
13 (2)(A) shall be deemed to be a percentage equal
14 to $\frac{1}{2}$ of the ratio of weekly hours of employment
15 referred to in clause (iii)(II) to weekly hours of
16 employment of that worker at the time of separa-
17 tion (but not more than 50 percent).

18 “(C) ELIGIBILITY PERIOD FOR PAY-
19 MENTS.—A worker in a group of workers de-
20 scribed in subparagraph (A) may receive pay-
21 ments described in paragraph (2)(A) under the
22 program established under paragraph (1) for a
23 period not to exceed 2 years from the date on
24 which the worker exhausts all rights to unem-
25 ployment insurance based on the separation of

1 *the worker from adversely affected employment*
 2 *or the date on which the worker obtains reem-*
 3 *ployment, whichever is earlier.*

4 *“(D) TRAINING.—A worker described in*
 5 *subparagraph (B) shall be eligible to receive*
 6 *training approved under section 236.*

7 *“(4) TOTAL AMOUNT OF PAYMENTS.—The pay-*
 8 *ments described in paragraph (2)(A) made to a work-*
 9 *er may not exceed \$12,000 per worker during the eli-*
 10 *gibility period under paragraph (3)(C).*

11 *“(5) LIMITATION ON OTHER BENEFITS.—A work-*
 12 *er described in paragraph (3) may not receive a trade*
 13 *readjustment allowance under part I of subchapter B*
 14 *during any week for which the worker receives a pay-*
 15 *ment described in paragraph (2)(A).”; and*

16 *(3) in subsection (b)(2), by striking “subsection*
 17 *(a)(3)(B)” and inserting “subsection (a)(3)”.*

18 *(b) EXTENSION OF PROGRAM.—Subsection (b)(1) of*
 19 *such section is amended by striking “5” and inserting “10”.*

20 *(c) CLERICAL AMENDMENT.—The table of contents for*
 21 *title II of the Trade Act of 1974 is amended by striking*
 22 *the item relating to section 246 and inserting the following:*

“Sec. 246. Reemployment trade adjustment assistance program.”.

1 ***Subtitle F—Other Matters***

2 ***SEC. 161. AGREEMENTS WITH STATES.***

3 (a) *IN GENERAL.*—Subsection (a) of section 239 of the
4 *Trade Act of 1974 (19 U.S.C. 2311) is amended—*

5 (1) *by striking “will” each place it appears and*
6 *inserting “shall”; and*

7 (2) *in clause (2), to read as follows: “(2) in ac-*
8 *cordance with subsection (f), shall provide adversely*
9 *affected workers covered by a certification under sub-*
10 *chapter A the employment and case management*
11 *services described in section 235”.*

12 (b) *OUTREACH.*—Subsection (f) of such section is
13 *amended—*

14 (1) *in paragraph (3), by striking “and” at the*
15 *end;*

16 (2) *by striking paragraph (4) and inserting the*
17 *following:*

18 “(4) *perform outreach, intake (which may in-*
19 *clude worker profiling) and orientation for assistance*
20 *and benefits available under this chapter for adversely*
21 *affected workers covered by a certification under sub-*
22 *chapter A of this chapter, and”; and*

23 (3) *by adding at the end the following:*

24 “(5) *provide adversely affected workers covered*
25 *by a certification under subchapter A of this chapter*

1 *with employment and case management services de-*
 2 *scribed in section 235.”.*

3 **SEC. 162. FRAUD AND RECOVERY OF OVERPAYMENTS.**

4 *Section 243(a)(1) of the Trade Act of 1974 (19 U.S.C.*
 5 *2315(a)(1)) is amended—*

6 *(1) in the matter preceding subparagraph (A)—*

7 *(A) by striking “may waive” and inserting*
 8 *“shall waive”; and*

9 *(B) by striking “, in accordance with guide-*
 10 *lines prescribed by the Secretary,” and*

11 *(2) in subparagraph (B), by striking “would be*
 12 *contrary to equity and good conscience” and inserting*
 13 *“would cause a financial hardship for the individual*
 14 *(or the individual’s household, if applicable) when*
 15 *taking into consideration the income and resources*
 16 *reasonably available to the individual (or household)*
 17 *and other ordinary living expenses of the individual*
 18 *(or household)”.*

19 **SEC. 163. TECHNICAL AMENDMENTS.**

20 *(a) IN GENERAL.—Section 249 of the Trade Act of*
 21 *1974 (19 U.S.C. 2321) is amended—*

22 *(1) in the heading, by striking “**SUBPENA**” and*
 23 *inserting “**SUBPOENA**”; and*

24 *(2) in the text, by striking “subpena” and insert-*
 25 *ing “subpoena” each place it appears.*

1 (b) *CLERICAL AMENDMENT.*—*The item relating to sec-*
 2 *tion 249 in the table of contents for title II of the Trade*
 3 *Act of 1974 is amended to read as follows:*

“249. Subpoena power.”.

4 **SEC. 164. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
 5 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
 6 **ADJUSTMENT ASSISTANCE.**

7 (a) *IN GENERAL.*—*Subchapter C of chapter 2 of title*
 8 *II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is*
 9 *amended by adding at the end the following:*

10 **“SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
 11 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
 12 **ADJUSTMENT ASSISTANCE.**

13 “(a) *ESTABLISHMENT.*—*There is established in the De-*
 14 *partment of Labor an office to be known as the Office of*
 15 *Trade Adjustment Assistance (hereinafter in this section re-*
 16 *ferred to as the ‘Office’).*

17 “(b) *HEAD OF OFFICE.*—*The head of the Office shall*
 18 *be the Deputy Assistant Secretary for Trade Adjustment As-*
 19 *sistance (hereinafter in this section referred to as the ‘Dep-*
 20 *uty Assistant Secretary’), who shall be appointed by the*
 21 *President, by and with the advice and consent of the Senate.*

22 “(c) *PRINCIPLE FUNCTIONS.*—*The principle functions*
 23 *of the Deputy Assistant Secretary shall be—*

1 “(1) to oversee and implement the administra-
2 tion of trade adjustment assistance for workers under
3 this chapter; and

4 “(2) to carry out functions delegated to the Sec-
5 retary of Labor under this chapter, including—

6 “(A) making determinations under section
7 223 or 223A;

8 “(B) providing information about the pro-
9 gram and assisting groups of workers and other
10 parties to prepare petitions or applications for
11 program benefits under section 225;

12 “(C) ensuring workers covered by a certifi-
13 cation receive the employment services described
14 in section 235;

15 “(D) ensuring States fully comply with
16 agreements under section 239;

17 “(E) acting as a vigorous advocate for
18 workers applying for assistance under this chap-
19 ter;

20 “(F) receiving complaints, grievances, and
21 requests for assistance from workers under this
22 chapter;

23 “(G) establishing and overseeing a hotline
24 that workers, employers, and other entities may
25 call to obtain information regarding eligibility

1 *criteria, procedural requirements, and benefits*
 2 *available under this chapter; and*

3 *“(H) carrying out such other duties with re-*
 4 *spect to this chapter as the President may speci-*
 5 *fy for purposes of this section.”.*

6 **(b) CLERICAL AMENDMENT.**—*The table of contents for*
 7 *title II of the Trade Act of 1974 is amended by inserting*
 8 *after the item relating to section 249 the following:*

*“Sec. 250. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for
 Trade Adjustment Assistance.”.*

9 **SEC. 165. COLLECTION OF DATA AND REPORTS; INFORMA-**
 10 **TION TO WORKERS.**

11 **(a) IN GENERAL.**—*Subchapter C of chapter 2 of title*
 12 *II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is*
 13 *amended by adding at the end the following:*

14 **“SEC. 250A. COLLECTION OF DATA AND REPORTS; INFOR-**
 15 **MATION TO WORKERS.**

16 **“(a) IN GENERAL.**—*Not later than 90 days after the*
 17 *date of the enactment of the Trade and Globalization Assist-*
 18 *ance Act of 2007, the Secretary shall implement a system*
 19 *to collect and publicly disseminate data on all adversely*
 20 *affected workers who apply for or receive adjustment assist-*
 21 *ance under this chapter.*

22 **“(b) DATA TO BE INCLUDED.**—*The system required*
 23 *under subsection (a) shall include collection of the following*
 24 *data classified by State, industry, and nationwide totals:*

1 “(1) *The number of petitions and number of*
2 *workers covered by petitions filed, certified and de-*
3 *nied.*

4 “(2) *The date of filing of each petition and the*
5 *date of the determination, and the average processing*
6 *time, by year, on petitions.*

7 “(3) *A breakdown, by the claimed cause of dis-*
8 *location, of petitions denied, such as increased im-*
9 *ports, shift in production, and other bases for eligi-*
10 *bility.*

11 “(4) *A breakdown of the number of certified peti-*
12 *tions by the cause of dislocation, such as increase in*
13 *imports, shift in production, and other causes of eligi-*
14 *bility for adjustment assistance.*

15 “(5) *The number of workers participating in*
16 *any aspect of the adjustment assistance program*
17 *under this chapter.*

18 “(6) *Reemployment rates and sectors in which*
19 *dislocated workers have been employed after receiving*
20 *adjustment assistance under this chapter.*

21 “(7) *The type of adjustment assistance received*
22 *under this chapter, such as training or education as-*
23 *sistance, reemployment adjustment assistance, cash*
24 *benefits, health coverage, and relocation allowances,*
25 *the number of workers receiving each type of assist-*

1 *ance, and the average duration of time workers re-*
2 *ceive each type of assistance.*

3 *“(8) The fields of training or education in which*
4 *workers receiving training or education benefits under*
5 *this chapter are enrolled, the number of workers par-*
6 *ticipating in each field, classified by major types of*
7 *training or education.*

8 *“(9) The number of workers leaving training be-*
9 *fore completing a course of training or education,*
10 *classified by the cause for early termination.*

11 *“(10) The number of training waivers granted,*
12 *classified by type of waiver.*

13 *“(11) The wages of workers before separation*
14 *and any job obtained after receiving benefits under*
15 *the trade adjustment assistance program under this*
16 *chapter.*

17 *“(12) The average duration of training that was*
18 *completed.*

19 *“(c) REPORT.—Not later than 16 months after the date*
20 *of the enactment of the Trade and Globalization Assistance*
21 *Act of 2007, and annually thereafter, the Secretary shall*
22 *submit to the Committee on Ways and Means of the House*
23 *of Representatives, the Committee on Finance of the Senate,*
24 *and any other congressional committee of appropriate juris-*
25 *diction, a report on whether changes to eligibility require-*

1 ments, benefits, or training funding under the trade adjust-
 2 ment assistance program under this chapter should be made
 3 based on the data collected under subsection (b).

4 “(d) *AVAILABILITY ON WEBSITE OF THE DEPARTMENT*
 5 *OF LABOR.*—The Secretary shall make the data collected
 6 under subsection (b) publicly available on the website of the
 7 Department of Labor, in a searchable format, and shall up-
 8 date the data quarterly.”.

9 (b) *CLERICAL AMENDMENT.*—The table of contents for
 10 title II of the Trade Act of 1974 is amended by inserting
 11 after the item relating to section 250 (as added by section
 12 163(b) of this Act) the following:

“Sec. 250A. *Collection of data and reports; information to workers.*”.

13 **SEC. 166. EXTENSION OF TAA PROGRAM.**

14 (a) *FOR WORKERS.*—Section 245(a) of the Trade Act
 15 of 1974 (19 U.S.C. 2317(a)) is amended by striking “De-
 16 cember 31, 2007” and inserting “September 30, 2012”.

17 (b) *TERMINATION.*—Section 285 of the Trade Act of
 18 1974 (19 U.S.C. 2271 note) is amended by striking “Decem-
 19 ber 31, 2007” each place it appears and inserting “Sep-
 20 tember 30, 2012”.

21 (c) *FOR FARMERS.*—Section 298(a) of the Trade Act
 22 of 1974 (19 U.S.C. 2401g(a)) is amended by adding at the
 23 end the following: “There are authorized to be appropriated
 24 to the Department of Agriculture not to exceed \$81,000,000
 25 for the 9-month period beginning on January 1, 2008, and

1 \$90,000,000 for each of the fiscal years 2009 through 2012
 2 to carry out the purposes of this chapter.”.

3 **SEC. 167. JUDICIAL REVIEW.**

4 Section 284 of the Trade Act of 1974 (19 U.S.C. 2395)
 5 is amended—

6 (1) in subsection (a)—

7 (A) by inserting “or 223A” after “223”;

8 and

9 (B) by striking “271” and inserting “273”;

10 (2) by amending subsection (b) to read as fol-
 11 lows:

12 “(b) *STANDARD OF REVIEW.*—The Court of Inter-
 13 national Trade shall have jurisdiction to review the case
 14 as provided in section 706 of title 5, United States Code.
 15 The findings of fact by the Secretary of Labor, the Secretary
 16 of Commerce, or the Secretary of Agriculture, as the case
 17 may be, must be supported by substantial evidence and
 18 must be based on a reasonable investigation. The Court of
 19 International Trade may—

20 “(1) remand the case to such Secretary to take
 21 further evidence; or

22 “(2) reverse the action of such Secretary.

23 If the case is remanded under paragraph (1), the Secretary
 24 concerned may make new or modified findings of fact and
 25 may modify the Secretary’s previous action, and shall cer-

1 *tify to the court the record of the further proceedings. The*
 2 *new or modified findings of fact must be supported by sub-*
 3 *stantial evidence and must be based on a reasonable inves-*
 4 *tigation.”; and*

5 *(3) in subsection (c), by striking the first sen-*
 6 *tence.*

7 **SEC. 168. LIBERAL CONSTRUCTION OF CERTIFICATION OF**
 8 **WORKERS AND FIRMS.**

9 *(a) IN GENERAL.—Chapter 5 of title II of the Trade*
 10 *Act of 1974 (19 U.S.C. 2391 et seq.) is amended by adding*
 11 *at the end the following:*

12 **“SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF**
 13 **WORKERS AND FIRMS.**

14 *“The provisions of chapter 2 (relating to adjustment*
 15 *assistance for workers) and the provisions of chapter 3 (re-*
 16 *lating to adjustment assistance for firms) shall be liberally*
 17 *construed in favor of certifying workers for assistance under*
 18 *such chapter 2 and certifying firms for assistance under*
 19 *such chapter 3.”.*

20 *(b) CLERICAL AMENDMENT.—The table of contents for*
 21 *title II of the Trade Act of 1974 is amended by inserting*
 22 *after the item relating to section 287 the following:*

“Sec. 288. Liberal construction of certification of workers and firms.”.

1 ***TITLE II—TRADE ADJUSTMENT***
 2 ***ASSISTANCE FOR FIRMS***

3 ***SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.***

4 *(a) IN GENERAL.—Section 251 of the Trade Act of*
 5 *1974 (19 U.S.C. 2341) is amended—*

6 *(1) in subsection (a), by inserting “or service*
 7 *sector firm” after “(including any agricultural firm”;*

8 *(2) in subsection (c)—*

9 *(A) in paragraph (1)—*

10 *(i) in the matter preceding subpara-*
 11 *graph (A), by inserting “or service sector*
 12 *firm” after “any agricultural firm”; and*

13 *(ii) in subparagraph (B)—*

14 *(I) in clause (i), by striking “,*
 15 *or” and inserting a comma;*

16 *(II) in clause (ii)—*

17 *(aa) by inserting “or service”*
 18 *after “of an article”; and*

19 *(bb) by striking “, and” and*
 20 *inserting a comma; and*

21 *(III) by adding at the end the fol-*
 22 *lowing:*

23 *“(iii) sales or production, or both, of*
 24 *the firm, during the period consisting of not*
 25 *more than 36 months preceding the most re-*

1 cent 12-month period for which data are
2 available, have decreased absolutely, or

3 “(iv) sales or production, or both, of an
4 article or service that accounted for not less
5 than 25 percent of the total production or
6 sales of the firm during the 36-month period
7 preceding the most recent 12-month period
8 for which data are available have decreased
9 absolutely, and”; and

10 (B) in the matter preceding subparagraph
11 (A) of paragraph (2) , by striking “paragraph
12 (1)(C)—” and inserting “paragraph (1)(C):”;
13 and

14 (3) by adding at the end the following:

15 “(e) *BASIS FOR THE DETERMINATION OF THE SEC-*
16 *RETARY.—*

17 “(1) *INCREASED IMPORTS.—For purposes of sub-*
18 *section (c)(1)(C), the Secretary—*

19 “(A) may use data from any of the pre-
20 ceding three calendar years to determine if the
21 requirements of such subsection have been met;

22 “(B) may determine that increases of im-
23 ports of like or directly competitive articles or
24 services exist if customers accounting for a sig-
25 nificant percentage of the decrease in the sales of

the firm certify to the Secretary that such customers are obtaining such articles or services from a foreign country; and

“(C) may, in determining whether increased imports of like or directly competitive articles or services exist, give special consideration to whether it is difficult to demonstrate an increase of such imports if the share of such imports relative to production or consumption in the United States of the article produced or service provided by the firm concerned is already significant.

“(2) *PROCESS AND METHODS FOR OBTAINING CERTIFICATIONS.*—

“(A) *REQUEST BY PETITIONER.*—If requested by a firm, the Secretary shall obtain the certifications under paragraph (1)(B) in such manner as the Secretary determines is appropriate.

“(B) *PROTECTION OF CONFIDENTIAL INFORMATION.*—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at

1 *the time of submission, that such information*
 2 *would be released by the Secretary, or such party*
 3 *subsequently consents to the release of the infor-*
 4 *mation. Nothing in this subparagraph shall be*
 5 *construed to prohibit a court from requiring the*
 6 *submission of such confidential business infor-*
 7 *mation to the court in camera.*

8 “(f) *NOTIFICATION TO FIRMS OF AVAILABILITY OF*
 9 *BENEFITS.—Upon receiving notice from the Secretary of*
 10 *Labor under section 225(c) of the identity of a firm or firms*
 11 *that are covered by a certification issued under section 223*
 12 *or 223A, the Secretary of Commerce shall notify such firm*
 13 *or firms of the availability of adjustment assistance under*
 14 *this chapter.”.*

15 (b) *DEFINITION.—Section 261 of the Trade Act of 1974*
 16 *(19 U.S.C. 2351) is amended—*

17 (1) *by striking “For purposes of” and inserting*

18 “(a) *FIRM.—For purposes of*; and

19 (2) *by adding at the end the following:*

20 “(b) *SERVICE SECTOR FIRM.—For purposes of this*
 21 *chapter, the term ‘service sector firm’ means a firm engaged*
 22 *in the business of providing services.”.*

1 **SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE AD-**
 2 **JUSTMENT ASSISTANCE FOR FIRMS.**

3 *Section 256(b) of the Trade Act of 1974 (19 U.S.C.*
 4 *2346(b)) is amended—*

5 *(1) by striking “and \$4,000,000 for the 3-month*
 6 *period beginning on October 1, 2007,” inserting “and*
 7 *\$50,000,000 for each of fiscal years 2008 through*
 8 *2012,” after “fiscal years 2003 through 2007,”; and*

9 *(2) by inserting after the first sentence the fol-*
 10 *lowing: “Of the amounts appropriated pursuant to*
 11 *this subsection for each fiscal year, \$350,000 shall be*
 12 *available for full-time positions in the Department of*
 13 *Commerce to administer the program under this*
 14 *chapter.”.*

15 **SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOP-**
 16 **MENT OF NEW SERVICES.**

17 *Section 265(a) of the Trade Act of 1974 (19 U.S.C.*
 18 *2355(a)) is amended—*

19 *(1) in the first sentence, by striking “new prod-*
 20 *uct development” and inserting “the development of*
 21 *new products and services”; and*

22 *(2) in the second sentence, by inserting “, 223A,”*
 23 *after “223”.*

1 **SEC. 204. DEMONSTRATION PROJECT ON STRATEGIC**
2 **TRADE TRANSFORMATION ASSISTANCE.**

3 (a) *IN GENERAL.*—Chapter 3 of title II of the Trade
4 Act of 1974 (19 U.S.C. 2341 *et seq.*) is amended by adding
5 at the end the following:

6 **“SEC. 266. DEMONSTRATION PROJECT ON STRATEGIC**
7 **TRADE TRANSFORMATION ASSISTANCE.**

8 “(a) *IN GENERAL.*—The Secretary shall conduct a
9 demonstration project (in this section referred to as the
10 ‘project’) to demonstrate a programmatic framework that
11 will allow small- and medium-sized manufacturers in the
12 United States to gain access to resources that will help them
13 better compete domestically and globally. The project should
14 include among its primary goals the following:

15 “(1) *Expanding the number of firms capable of*
16 *taking advantage of a trade remedy program without*
17 *drastically increasing the cost of the remedy to the*
18 *taxpayer.*

19 “(2) *Certifying and providing assistance to ap-*
20 *proximately 700 firms.*

21 “(3) *Integrating the benefits of other applicable*
22 *government programs into the project, and making*
23 *benefits from the project subject to that integration.*

24 “(4) *Increasing the number of small- and me-*
25 *dium-sized firms that export and increasing the value*
26 *of exports from these firms.*

1 “(5) *Increasing revenues that small- and me-*
2 *dium-sized firms derive from sales to the Federal Gov-*
3 *ernment and State and local governments.*

4 “(6) *Expanding technology availability to the*
5 *small- and medium-sized firm segment by increasing*
6 *access to, and adoption of, the latest technologies*
7 *being developed at Federal laboratories and at univer-*
8 *sities.*

9 “(7) *Improving the business and manufacturing*
10 *practices of small- and medium-sized firms to enable*
11 *them to become competitive in a global marketplace.*

12 “(b) *ADVISORY BOARD.—*

13 “(1) *IN GENERAL.—In carrying out the project,*
14 *the Secretary shall establish an advisory board com-*
15 *prised of representatives described in paragraph (2)*
16 *to provide advice and recommendations with respect*
17 *to the establishment and operation of the project.*

18 “(2) *REPRESENTATIVES.—Representatives re-*
19 *ferred to in paragraph (1) shall consist of the respec-*
20 *tive executive directors of each Trade Adjustment As-*
21 *sistance Center affiliated with the trade adjustment*
22 *assistance for firms program under this chapter.*

23 “(c) *DURATION.—The Secretary shall conduct the*
24 *project for the 3-year period beginning on the date that is*
25 *180 days after the date of the enactment of this Act.*

1 “(d) *ADMINISTRATION OF PROJECT.*—In imple-
 2 menting the project, the Secretary shall give preference, in
 3 entering into contracts for the operation and administra-
 4 tion of the project, to Trade Adjustment Assistance Centers
 5 affiliated with the trade adjustment assistance for firms
 6 program under this chapter.

7 “(e) *REPORT.*—The Secretary shall submit to the Con-
 8 gress a report on the project under this section not later
 9 than 6 months after the date of the completion of the project.
 10 Such report shall include—

11 “(1) *information on the impact of the project on*
 12 *mitigating the impact of imports in terms of competi-*
 13 *tiveness; and*

14 “(2) *recommendations on the cost-effectiveness of*
 15 *extending or expanding the project.*

16 “(f) *FUNDING.*—Of the amounts made available to
 17 carry out this chapter for fiscal years 2008 through 2012,
 18 not more than \$1,000,000 for each such fiscal year is au-
 19 thorized to be made available to carry out this section.”.

20 “(b) *CLERICAL AMENDMENT.*—The table of contents for
 21 title II of the Trade Act of 1974 is amended by inserting
 22 after the item relating to section 265 the following:

“Sec. 266. *Demonstration project on strategic trade transformation assistance.*”.

1 ***TITLE III—UNEMPLOYMENT***
2 ***INSURANCE***

3 ***SEC. 301. SHORT TITLE.***

4 *This title may be cited as the “Unemployment Insur-*
5 *ance Modernization Act”.*

6 ***SEC. 302. SPECIAL TRANSFERS TO STATE ACCOUNTS IN***
7 ***THE UNEMPLOYMENT TRUST FUND.***

8 *(a) IN GENERAL.—Section 903 of the Social Security*
9 *Act (42 U.S.C. 1103) is amended by adding at the end the*
10 *following:*

11 *“Special Transfers in Fiscal Years 2008 Through 2012 for*
12 *Modernization*

13 *“(f)(1)(A) In addition to any other amounts, the Sec-*
14 *retary of Labor shall provide for the making of unemploy-*
15 *ment compensation modernization incentive payments*
16 *(hereinafter ‘incentive payments’) to the accounts of the*
17 *States in the Unemployment Trust Fund, by transfer from*
18 *amounts reserved for that purpose in the Federal unemploy-*
19 *ment account, in accordance with succeeding provisions of*
20 *this subsection.*

21 *“(B) The maximum incentive payment allowable*
22 *under this subsection with respect to any State shall, as*
23 *determined by the Secretary of Labor, be equal to the*
24 *amount obtained by multiplying \$7,000,000,000 times the*
25 *same ratio as is applicable under subsection (a)(2)(B) for*

1 *purposes of determining such State’s share of any funds to*
2 *be transferred under subsection (a) as of October 1, 2007.*

3 *“(C) Of the maximum incentive payment determined*
4 *under subparagraph (B) with respect to a State—*

5 *“(i) one-third shall be transferred to the account*
6 *of such State upon a certification under paragraph*
7 *(4)(B) that the State law of such State meets the re-*
8 *quirements of paragraph (2); and*

9 *“(ii) the remainder shall be transferred to the ac-*
10 *count of such State upon a certification under para-*
11 *graph (4)(B) that the State law of such State meets*
12 *the requirements of paragraph (3).*

13 *“(2) The State law of a State meets the requirements*
14 *of this paragraph if such State law—*

15 *“(A) uses a base period that includes the most*
16 *recently completed calendar quarter before the start of*
17 *the benefit year for purposes of determining eligibility*
18 *for unemployment compensation; or*

19 *“(B) provides that, in the case of an individual*
20 *who would not otherwise be eligible for unemployment*
21 *compensation under the State law because of the use*
22 *of a base period that does not include the most re-*
23 *cently completed calendar quarter before the start of*
24 *the benefit year, eligibility shall be determined using*
25 *a base period that includes such calendar quarter.*

1 “(3) *The State law of a State meets the requirements*
2 *of this paragraph if such State law includes provisions to*
3 *carry out at least 2 of the following subparagraphs:*

4 “(A) *An individual shall not be denied regular*
5 *unemployment compensation under any State law*
6 *provisions relating to availability for work, active*
7 *search for work, or refusal to accept work, solely be-*
8 *cause such individual is seeking only part-time (and*
9 *not full-time) work, except that the State law provi-*
10 *sions carrying out this subparagraph may exclude an*
11 *individual if a majority of the weeks of work in such*
12 *individual’s base period do not include part-time*
13 *work.*

14 “(B) *An individual shall not be disqualified*
15 *from regular unemployment compensation for sepa-*
16 *rating from employment if that separation is for com-*
17 *PELLING family reasons. For purposes of this subpara-*
18 *graph, the term ‘compelling family reasons’ includes*
19 *at least the following:*

20 “(i) *Domestic violence (verified by such rea-*
21 *sonable and confidential documentation as the*
22 *State law may require) which causes the indi-*
23 *vidual reasonably to believe that such individ-*
24 *ual’s continued employment would jeopardize the*

1 *safety of the individual or of any member of the*
2 *individual's immediate family.*

3 “(ii) *The illness or disability of a member*
4 *of the individual's immediate family.*

5 “(iii) *The need for the individual to accom-*
6 *pany such individual's spouse—*

7 “(I) *to a place from which it is im-*
8 *practical for such individual to commute;*
9 *and*

10 “(II) *due to a change in location of the*
11 *spouse's employment.*

12 “(C) *Weekly unemployment compensation is*
13 *payable under this subparagraph to any individual*
14 *who is unemployed (as determined under the State*
15 *unemployment compensation law), has exhausted all*
16 *rights to regular and (if applicable) extended unem-*
17 *ployment compensation under the State law, and is*
18 *enrolled and making satisfactory progress in a State-*
19 *approved training program or in a job training pro-*
20 *gram authorized under the Workforce Investment Act*
21 *of 1998. Such program shall prepare individuals who*
22 *have been separated from a declining occupation, or*
23 *who have been involuntarily and indefinitely sepa-*
24 *rated from employment as a result of a permanent re-*
25 *duction of operations at the individual's place of em-*

1 *ployment, for entry into a high-demand occupation.*
2 *The amount of unemployment compensation payable*
3 *under this subparagraph to an individual for a week*
4 *of unemployment shall be equal to the individual's*
5 *average weekly benefit amount (including dependents'*
6 *allowances) for the most recent benefit year, and the*
7 *total amount of unemployment compensation payable*
8 *under this subparagraph to any individual shall be*
9 *equal to at least 26 times the individual's average*
10 *weekly benefit amount (including dependents' allow-*
11 *ances) for the most recent benefit year.*

12 *“(4)(A) Any State seeking an incentive payment under*
13 *this subsection shall submit an application therefor at such*
14 *time, in such manner, and complete with such information*
15 *as the Secretary of Labor may by regulation prescribe, in-*
16 *cluding information relating to compliance with the re-*
17 *quirements of paragraph (2) or (3), as well as how the State*
18 *intends to use the incentive payment to improve or*
19 *strengthen the State's unemployment compensation pro-*
20 *gram. The Secretary of Labor shall, within 90 days after*
21 *receiving a complete application, notify the State agency*
22 *of the State of the Secretary's findings with respect to the*
23 *requirements of paragraph (2) or (3) (or both).*

24 *“(B) If the Secretary of Labor finds that the State law*
25 *provisions (disregarding any State law provisions which*

1 *are not then currently in effect as permanent law or which*
2 *are subject to discontinuation under certain conditions)*
3 *meet the requirements of paragraph (2) or (3), as the case*
4 *may be, the Secretary of Labor shall thereupon make a cer-*
5 *tification to that effect to the Secretary of the Treasury, to-*
6 *gether with a certification as to the amount of the incentive*
7 *payment to be transferred to the State account pursuant*
8 *to that finding. The Secretary of the Treasury shall make*
9 *the appropriate transfer within 30 days after receiving such*
10 *certification.*

11 “(C)(i) *No certification of compliance with the require-*
12 *ments of paragraph (2) or (3) may be made with respect*
13 *to any State whose State law is not otherwise eligible for*
14 *certification under section 303 or approvable under section*
15 *3304 of the Federal Unemployment Tax Act.*

16 “(ii) *No certification of compliance with the require-*
17 *ments of paragraph (3) may be made with respect to any*
18 *State whose State law is not in compliance with the re-*
19 *quirements of paragraph (2).*

20 “(iii) *No application under subparagraph (A) may be*
21 *considered if submitted before October 1, 2007, or after the*
22 *latest date necessary (as specified by the Secretary of Labor*
23 *in regulations) to ensure that all incentive payments under*
24 *this subsection are made before October 1, 2012.*

1 “(5)(A) *Except as provided in subparagraph (B), any*
2 *amount transferred to the account of a State under this sub-*
3 *section may be used by such State only in the payment of*
4 *cash benefits to individuals with respect to their unemploy-*
5 *ment (including for dependents’ allowances and for unem-*
6 *ployment compensation under paragraph (3)(C)), exclusive*
7 *of expenses of administration.*

8 “(B) *A State may, subject to the same conditions as*
9 *set forth in subsection (c)(2) (excluding subparagraph (B)*
10 *thereof, and deeming the reference to ‘subsections (a) and*
11 *(b)’ in subparagraph (D) thereof to include this subsection),*
12 *use any amount transferred to the account of such State*
13 *under this subsection for the administration of its unem-*
14 *ployment compensation law and public employment offices.*

15 “(6) *Out of any money in the Federal unemployment*
16 *account not otherwise appropriated, the Secretary of the*
17 *Treasury shall reserve \$7,000,000,000 for incentive pay-*
18 *ments under this subsection. Any amount so reserved shall*
19 *not be taken into account for purposes of any determination*
20 *under section 902, 910, or 1203 of the amount in the Fed-*
21 *eral unemployment account as of any given time. Any*
22 *amount so reserved for which the Secretary of the Treasury*
23 *has not received a certification under paragraph (4)(B) by*
24 *the deadline described in paragraph (4)(C)(iii) shall, upon*

1 *the close of fiscal year 2012, become unrestricted as to use*
 2 *as part of the Federal unemployment account.*

3 “(7) *For purposes of this subsection, the terms ‘benefit*
 4 *year’, ‘base period’, and ‘week’ have the respective meanings*
 5 *given such terms under section 205 of the Federal-State Ex-*
 6 *tended Unemployment Compensation Act of 1970 (26*
 7 *U.S.C. 3304 note).*

8 “*Special Transfers in Fiscal Years 2008 Through 2012 for*
 9 *Administration*

10 “(g)(1) *Notwithstanding any other provision of this*
 11 *section, the total amount available for transfer to the ac-*
 12 *counts of the States pursuant to subsection (a) as of the*
 13 *beginning of each of fiscal years 2008, 2009, 2010, 2011,*
 14 *and 2012 shall be equal to the total amount which (dis-*
 15 *regarding this subsection) would otherwise be so available,*
 16 *increased by \$100,000,000.*

17 “(2) *Each State’s share of any additional amount*
 18 *made available by this subsection shall be determined, cer-*
 19 *tified, and computed in the same manner as described in*
 20 *subsection (a)(2) and shall be subject to the same limita-*
 21 *tions on transfers as described in subsection (b). For pur-*
 22 *poses of applying subsection (b)(2), the balance of any ad-*
 23 *vances made to a State under section 1201 shall be credited*
 24 *against, and operate to reduce (but not below zero)—*

1 “(A) *first, any additional amount which, as a*
 2 *result of the enactment of this subsection, is to be*
 3 *transferred to the account of such State in a fiscal*
 4 *year; and*

5 “(B) *second, any amount which (disregarding*
 6 *this subsection) is otherwise to be transferred to the*
 7 *account of such State pursuant to subsections (a) and*
 8 *(b) in such fiscal year.*

9 “(3) *Any additional amount transferred to the account*
 10 *of a State as a result of the enactment of this subsection—*

11 “(A) *may be used by the State agency of such*
 12 *State only in the payment of expenses incurred by it*
 13 *for—*

14 “(i) *the administration of the provisions of*
 15 *its State law carrying out the purposes of sub-*
 16 *section (f)(2) or any subparagraph of subsection*
 17 *(f)(3);*

18 “(ii) *improved outreach to individuals who*
 19 *might be eligible for regular unemployment com-*
 20 *pensation by virtue of any provisions of the*
 21 *State law which are described in clause (i);*

22 “(iii) *the improvement of unemployment*
 23 *benefit and unemployment tax operations; and*

24 “(iv) *staff-assisted reemployment services*
 25 *for unemployment compensation claimants; and*

1 “(B) shall be excluded from the application of
2 subsection (c).

3 “(4) The total additional amount made available by
4 this subsection in a fiscal year shall be taken out of the
5 amounts remaining in the employment security adminis-
6 tration account after subtracting the total amount which
7 (disregarding this subsection) is otherwise required to be
8 transferred from such account in such fiscal year pursuant
9 to subsections (a) and (b).”.

10 (b) *REGULATIONS.*—The Secretary of Labor may pre-
11 scribe any regulations necessary to carry out the amend-
12 ment made by subsection (a).

13 **SEC. 303. EXTENSION OF FUTA TAX.**

14 Section 3301 of the Internal Revenue Code of 1986 (re-
15 lating to rate of tax) is amended—

16 (1) by striking “2007” in paragraph (1) and in-
17 serting “2010”, and

18 (2) by striking “2008” in paragraph (2) and in-
19 serting “2011”.

20 **SEC. 304. SAFETY NET REVIEW COMMISSION.**

21 (a) *ESTABLISHMENT.*—The Secretary of Labor shall
22 establish an advisory commission to be known as the “Safe-
23 ty Net Review Commission” (hereinafter in this section re-
24 ferred to as the “Commission”).

1 (b) *FUNCTION.*—*It shall be the function of the Commis-*
 2 *sion to evaluate the unemployment compensation program,*
 3 *the Trade Adjustment Assistance program, the Job Corps*
 4 *program, a program under the Workforce Investment Act,*
 5 *and other employment assistance programs, including the*
 6 *purpose, goals, countercyclical effectiveness, coverage, ben-*
 7 *efit adequacy, trust fund solvency, funding of State admin-*
 8 *istrative costs, administrative efficiency, and any other as-*
 9 *pects of each such program, as well as any related provi-*
 10 *sions of the Internal Revenue Code of 1986, and to make*
 11 *recommendations for their improvement.*

12 (c) *MEMBERS.*—

13 (1) *IN GENERAL.*—*The Commission shall consist*
 14 *of 11 members as follows:*

15 (A) *5 members appointed by the President,*
 16 *to include representatives of business, labor,*
 17 *State government, and the public.*

18 (B) *3 members appointed by the President*
 19 *pro tempore of the Senate, in consultation with*
 20 *the Chairman and ranking member of the Com-*
 21 *mittee on Finance of the Senate.*

22 (C) *3 members appointed by the Speaker of*
 23 *the House of Representatives, in consultation*
 24 *with the Chairman and ranking member of the*

1 *Committee on Ways and Means of the House of*
2 *Representatives.*

3 (2) *QUALIFICATIONS.—In appointing members*
4 *under subparagraphs (B) and (C) of paragraph (1),*
5 *the President pro tempore of the Senate and the*
6 *Speaker of the House of Representatives shall each ap-*
7 *point—*

8 (A) *1 representative of the interests of busi-*
9 *ness,*

10 (B) *1 representative of the interests of labor,*
11 *and*

12 (C) *1 representative of the interests of State*
13 *governments.*

14 (3) *VACANCIES.—A vacancy in the Commission*
15 *shall be filled in the manner in which the original*
16 *appointment was made.*

17 (4) *CHAIRMAN.—The President shall appoint the*
18 *Chairman of the Commission from among its mem-*
19 *bers.*

20 (d) *STAFF AND OTHER ASSISTANCE.—*

21 (1) *IN GENERAL.—The Commission may engage*
22 *any technical assistance (including actuarial services)*
23 *required by the Commission to carry out its functions*
24 *under this section.*

1 (2) *ASSISTANCE FROM SECRETARY OF LABOR.*—

2 *The Secretary of Labor shall provide the Commission*
3 *with any staff, office facilities, and other assistance,*
4 *and any data prepared by the Department of Labor,*
5 *required by the Commission to carry out its functions*
6 *under this section.*

7 (e) *COMPENSATION.*—*Each member of the Commis-*
8 *sion—*

9 (1) *shall be entitled to receive compensation at*
10 *the rate of pay for level V of the Executive Schedule*
11 *under section 5316 of title 5, United States Code, for*
12 *each day (including travel time) during which such*
13 *member is engaged in the actual performance of du-*
14 *ties vested in the Commission; and*

15 (2) *while engaged in the performance of such du-*
16 *ties away from such member's home or regular place*
17 *of business, shall be allowed travel expenses (including*
18 *per diem in lieu of subsistence) as authorized by sec-*
19 *tion 5703 of such title 5 for persons in the Govern-*
20 *ment employed intermittently.*

21 (f) *REPORT.*—*Not later than 6 months after the date*
22 *of the enactment of this Act, the Commission shall submit*
23 *to the President and the Congress a report setting forth the*
24 *findings and recommendations of the Commission as a re-*
25 *sult of its evaluation under this section.*

1 (g) *TERMINATION.*—*The Commission shall terminate*
 2 *2 months after submitting its report pursuant to subsection*
 3 *(f).*

4 ***TITLE IV—MANUFACTURING***
 5 ***REDEVELOPMENT ZONES***

6 ***SEC. 401. MANUFACTURING REDEVELOPMENT ZONES.***

7 (a) *IN GENERAL.*—*Subchapter Y of chapter 1 of the*
 8 *Internal Revenue Code of 1986 is amended by adding at*
 9 *the end the following new part:*

10 ***“PART III—MANUFACTURING REDEVELOPMENT***
 11 ***ZONES***

“Sec. 1400U–1. Designation of manufacturing redevelopment zones.

“Sec. 1400U–2. Eligibility criteria.

“Sec. 1400U–3. Manufacturing redevelopment tax credit bonds.

“Sec. 1400U–4. Tax-exempt manufacturing zone facility bonds.

“Sec. 1400U–5. Additional low-income housing credits.

12 ***“SEC. 1400U–1. DESIGNATION OF MANUFACTURING REDE-***
 13 ***VELOPMENT ZONES.***

14 *“(a) IN GENERAL.*—*From among the areas nominated*
 15 *for designation under this section, the Secretary may des-*
 16 *ignate manufacturing redevelopment zones.*

17 *“(b) LIMITATIONS ON DESIGNATIONS.*—*The Secretary*
 18 *may designate in the aggregate 24 nominated areas as*
 19 *manufacturing redevelopment zones, subject to the avail-*
 20 *ability of eligible nominated areas. The Secretary shall des-*
 21 *ignate manufacturing redevelopment zones in such manner*
 22 *that the aggregate population of all such zones does not ex-*
 23 *ceed 2,000,000.*

1 “(c) *PERIOD DESIGNATION MAY BE MADE.*—A des-
 2 ignation may be made under subsection (a) only during
 3 the 2-year period beginning on the date of the enactment
 4 of this section.

5 “(d) *PERIOD FOR WHICH DESIGNATION IS IN EF-*
 6 fect.—

7 “(1) *IN GENERAL.*—Any designation under this
 8 section shall remain in effect during the period begin-
 9 ning on the date of the designation and ending on the
 10 earliest of—

11 “(A) the close of the 10th calendar year be-
 12 ginning on or after the date of the designation,

13 “(B) the termination date designated by the
 14 State and local governments as provided for in
 15 their nomination, or

16 “(C) the date the Secretary revokes the des-
 17 ignation.

18 “(2) *REVOCATION OF DESIGNATION.*—The Sec-
 19 retary may revoke the designation under this section
 20 of an area if such Secretary determines that the local
 21 government or the State in which it is located—

22 “(A) has modified the boundaries of the
 23 area, or

24 “(B) is not complying substantially with, or
 25 fails to make progress in achieving the bench-

1 *marks set forth in, the strategic plan included*
 2 *with the application*

3 “(e) *LIMITATIONS ON DESIGNATIONS; APPLICATION.—*
 4 *Rules similar to the rules of subsections (e) and (f) of section*
 5 *1391 shall apply for purposes of this section except that*
 6 *the rules of such subsection (f) shall be applied with respect*
 7 *to the eligibility criteria specified in section 1400U–2.*

8 “(f) *DETERMINATIONS OF POPULATION.—Any deter-*
 9 *mination of population under this part shall be made on*
 10 *the basis of the most recent decennial census for which data*
 11 *are available.*

12 **“SEC. 1400U–2. ELIGIBILITY CRITERIA.**

13 “(a) *IN GENERAL.—A nominated area shall be eligible*
 14 *for designation under section 1400U–1 only if—*

15 “(1) *it meets each of the criteria specified in sec-*
 16 *tion 1392(a),*

17 “(2) *the nominated area has experienced a sig-*
 18 *nificant decline in the number of individuals em-*
 19 *ployed in manufacturing or has a high concentration*
 20 *of abandoned or underutilized manufacturing facili-*
 21 *ties, and*

22 “(3) *no portion of the nominated area is located*
 23 *in an empowerment zone or renewal community, un-*
 24 *less the local government which nominated the area*

1 elects to terminate such designation as an empower-
2 ment zone or renewal community.

3 “(b) *APPLICATION OF CERTAIN RULES; DEFINI-*
4 *TIONS.—For purposes of this subchapter—*

5 “(1) rules similar to the rules of subsections (b),
6 (c), and (d) of section 1392 and paragraphs (4), (7),
7 (8), and (9) of section 1393(a) shall apply, and

8 “(2) any term defined in section 1393 shall have
9 the same meaning when used in this subchapter.

10 “(c) *DISCRETION TO ADJUST REQUIREMENTS.—In de-*
11 *termining whether a nominated area is eligible for designa-*
12 *tion as a manufacturing redevelopment zone, the Secretary*
13 *may, where necessary to carry out the purposes of this part,*
14 *waive the requirement of section 1392(a)(4) if it is shown*
15 *that the nominated area has experienced a loss of manufac-*
16 *turing jobs during the previous 20 years which is in excess*
17 *of 25 percent.*

18 **“SEC. 1400U-3. MANUFACTURING REDEVELOPMENT TAX**
19 **CREDIT BONDS.**

20 “(a) *IN GENERAL.—For purposes of subpart I of part*
21 *IV of subchapter A (relating to qualified tax credit bonds),*
22 *the term ‘manufacturing redevelopment bond’ means any*
23 *bond issued as part of an issue if—*

1 “(1) 100 percent of the available project proceeds
2 of such issue are to be used for one or more qualified
3 manufacturing redevelopment purposes,

4 “(2) the bond is not a private activity bond, and

5 “(3) the local government which nominated the
6 area to which such bond relates designates such bond
7 for purposes of this section.

8 “(b) *LIMITATION ON AMOUNT OF BONDS DES-*
9 *IGNATED.*—The maximum aggregate face amount of bonds
10 which may be designated under subsection (a) with respect
11 to any manufacturing redevelopment zone shall not exceed
12 \$150,000,000.

13 “(c) *QUALIFIED MANUFACTURING REDEVELOPMENT*
14 *PURPOSE.*—For purposes of this section, the term ‘qualified
15 manufacturing redevelopment purposes’ means capital ex-
16 penditures paid or incurred with respect to property located
17 in a manufacturing redevelopment zone for purposes of pro-
18 moting development or other economic activity in such zone,
19 including expenditures for environmental remediation, im-
20 provements to public infrastructure, and construction of
21 public facilities.

22 “(d) *DEFINITIONS.*—For purposes of this section, any
23 term used in this section which is also used in section 54A
24 shall have the same meaning given such term by section
25 54A.

1 **“SEC. 1400U–4. TAX-EXEMPT MANUFACTURING ZONE FACIL-**
 2 **ITY BONDS.**

3 “(a) *IN GENERAL.*—For purposes of part IV of sub-
 4 chapter B (relating to tax exemption requirements for State
 5 and local bonds), the term ‘exempt facility bond’ includes
 6 any bond issued as part of an issue if—

7 “(1) 95 percent or more of the net proceeds (as
 8 defined in section 150(a)(3)) of such issue are to be
 9 used for manufacturing zone property, and

10 “(2) the local government which nominated the
 11 area to which such bond relates designates such bond
 12 for purposes of this section.

13 “(b) *LIMITATION ON AMOUNT OF BONDS DES-*
 14 *IGNATED.*—

15 “(1) *IN GENERAL.*—The aggregate face amount
 16 of bonds which may be designated under subsection
 17 (a)(2) with respect to any manufacturing redevelop-
 18 ment zone shall not exceed \$230,000,000.

19 “(2) *CURRENT REFUNDING NOT TAKEN INTO AC-*
 20 *COUNT.*—In the case of a refunding (or series of
 21 refundings) of a bond designated under this section,
 22 the refunding obligation shall be treated as designated
 23 under subsection (a)(2) (and shall not be taken into
 24 account in applying paragraph (1)) if—

1 “(A) *the amount of the refunding bond does*
 2 *not exceed the outstanding amount of the re-*
 3 *funded bond, and*

4 “(B) *the refunded bond is redeemed not*
 5 *later than 90 days after the date of issuance of*
 6 *the refunding bond.*

7 “(c) *LIMITATION ON AMOUNT OF BONDS ALLOCABLE*
 8 *TO ANY PERSON.—*

9 “(1) *IN GENERAL.—Subsection (a) shall not*
 10 *apply to any issue if the aggregate amount of out-*
 11 *standing manufacturing zone facility bonds allocable*
 12 *to any person (taking into account such issue) ex-*
 13 *ceeds—*

14 “(A) *\$15,000,000 with respect to any 1*
 15 *manufacturing redevelopment zone, or*

16 “(B) *\$20,000,000 with respect to all manu-*
 17 *facturing redevelopment zones.*

18 “(2) *AGGREGATE ENTERPRISE ZONE FACILITY*
 19 *BOND BENEFIT.—For purposes of paragraph (1), the*
 20 *aggregate amount of outstanding manufacturing zone*
 21 *facility bonds allocable to any person shall be deter-*
 22 *mined under rules similar to the rules of section*
 23 *144(a)(10), taking into account only bonds to which*
 24 *subsection (a) applies.*

1 “(d) *MANUFACTURING ZONE PROPERTY.*—*For pur-*
2 *poses of this section—*

3 “(1) *IN GENERAL.*—*The term ‘manufacturing*
4 *zone property’ means any property to which section*
5 *168 applies (or would apply but for section 179) if—*

6 “(A) *such property was acquired by the tax-*
7 *payer by purchase (as defined in section*
8 *179(d)(2)) after the date on which the designa-*
9 *tion of the manufacturing redevelopment zone*
10 *took effect,*

11 “(B) *the original use of which in the manu-*
12 *facturing redevelopment zone commences with*
13 *the taxpayer, and*

14 “(C) *substantially all of the use of which is*
15 *in the manufacturing redevelopment zone and is*
16 *in the active conduct of a qualified business by*
17 *the taxpayer in such zone.*

18 “(2) *QUALIFIED BUSINESS.*—*The term ‘qualified*
19 *business’ means any trade or business except that—*

20 “(A) *the rental to others of real property lo-*
21 *cated in a manufacturing redevelopment zone*
22 *shall be treated as a qualified business only if*
23 *the property is not residential rental property*
24 *(as defined in section 168(e)(2)), and*

1 “(B) such term shall not include any trade
2 or business consisting of the operation of any fa-
3 cility described in section 144(c)(6)(B).

4 “(3) *SPECIAL RULES FOR SUBSTANTIAL RENOVA-*
5 *TIONS AND SALE-LEASEBACK.*—Rules similar to the
6 rules of subsections (a)(2) and (b) of section 1397D
7 shall apply for purposes of this subsection.

8 “(e) *NONAPPLICATION OF CERTAIN RULES.*—Sections
9 57(a)(5) (relating to tax-exempt interest), 146 (relating to
10 volume cap), and 147(d) (relating to acquisition of existing
11 property not permitted) shall not apply to any manufac-
12 turing zone facility bond.

13 **“SEC. 1400U–5. ADDITIONAL LOW-INCOME HOUSING CRED-**
14 **ITS.**

15 “(a) *IN GENERAL.*—For purposes of section 42, in the
16 case of each calendar year during which the designation
17 of a manufacturing redevelopment zone is in effect, the
18 State housing credit ceiling of the State which includes such
19 manufacturing redevelopment zone shall be increased by the
20 lesser of—

21 “(1) the aggregate housing credit dollar amount
22 allocated by the State housing credit agency of such
23 State to buildings located in such manufacturing re-
24 development zone for such calendar year, or

25 “(2) the excess of—

1 “(A) the manufacturing zone housing
2 amount with respect to such manufacturing rede-
3 velopment zone, over

4 “(B) the aggregate increases under this sub-
5 section with respect to such zone for all preceding
6 calendar years.

7 “(b) *MANUFACTURING ZONE HOUSING AMOUNT.*—For
8 purposes of subsection (a), the term ‘manufacturing zone
9 housing amount’ means, with respect to any manufacturing
10 redevelopment zone, the product of \$20 multiplied by the
11 population of such zone.

12 “(c) *OTHER RULES.*—

13 “(1) *CARRYOVERS.*—Rules similar to the rules of
14 section 1400N(c)(1)(C) shall apply for purposes of
15 this section.

16 “(2) *RETURNED AMOUNTS.*—If any amount of
17 State housing credit ceiling which was taken into ac-
18 count under subsection (a)(1) is returned within the
19 meaning of section 42(h)(3)(C)(iii)—

20 “(A) such amount shall not be taken into
21 account under such section, and

22 “(B) such allocation shall cease to be treated
23 as an increase under this subsection for purposes
24 of subsection (a)(2)(B) until reallocated.”.

1 (b) *APPLICATION OF WORK OPPORTUNITY TAX CREDIT*
 2 *TO MANUFACTURING REDEVELOPMENT ZONES.*—Subpara-
 3 *graphs (A) and (B) of section 51(d)(5) of such Code are*
 4 *each amended by inserting “manufacturing redevelopment*
 5 *zone,” after “renewal community,”.*

6 (c) *CONFORMING AMENDMENTS RELATED TO MANU-*
 7 *FACTURING REDEVELOPMENT TAX CREDIT BONDS.*—

8 (1) *GENERAL RULES.*—Part IV of subchapter A
 9 *of chapter 1 of such Code (relating to credits against*
 10 *tax) is amended by adding at the end the following*
 11 *new subpart:*

12 **“Subpart I—Qualified Tax Credit Bonds**

“Sec. 54A. Credit to holders of qualified tax credit bonds.

13 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT**
 14 **BONDS.**

15 “(a) *ALLOWANCE OF CREDIT.*—If a taxpayer holds a
 16 *qualified tax credit bond on one or more credit allowance*
 17 *dates of the bond during any taxable year, there shall be*
 18 *allowed as a credit against the tax imposed by this chapter*
 19 *for the taxable year an amount equal to the sum of the cred-*
 20 *its determined under subsection (b) with respect to such*
 21 *dates.*

22 “(b) *AMOUNT OF CREDIT.*—

23 “(1) *IN GENERAL.*—The amount of the credit de-
 24 *termined under this subsection with respect to any*

1 *credit allowance date for a qualified tax credit bond*
2 *is 25 percent of the annual credit determined with re-*
3 *spect to such bond.*

4 “(2) *ANNUAL CREDIT.*—*The annual credit deter-*
5 *mined with respect to any qualified tax credit bond*
6 *is the product of—*

7 “(A) *the applicable credit rate, multiplied*

8 *by*

9 “(B) *the outstanding face amount of the*

10 *bond.*

11 “(3) *APPLICABLE CREDIT RATE.*—*For purposes*
12 *of paragraph (2), the applicable credit rate is the rate*
13 *which the Secretary estimates will permit the*
14 *issuance of qualified tax credit bonds with a specified*
15 *maturity or redemption date without discount and*
16 *without interest cost to the qualified issuer. The ap-*
17 *plicable credit rate with respect to any qualified tax*
18 *credit bond shall be determined as of the first day on*
19 *which there is a binding, written contract for the sale*
20 *or exchange of the bond.*

21 “(4) *SPECIAL RULE FOR ISSUANCE AND REDEMP-*
22 *TION.*—*In the case of a bond which is issued during*
23 *the 3-month period ending on a credit allowance date,*
24 *the amount of the credit determined under this sub-*
25 *section with respect to such credit allowance date*

1 *shall be a ratable portion of the credit otherwise deter-*
 2 *mined based on the portion of the 3-month period*
 3 *during which the bond is outstanding. A similar rule*
 4 *shall apply when the bond is redeemed or matures.*

5 “(c) *LIMITATION BASED ON AMOUNT OF TAX.*—

6 “(1) *IN GENERAL.*—*The credit allowed under*
 7 *subsection (a) for any taxable year shall not exceed*
 8 *the excess of—*

9 “(A) *the sum of the regular tax liability (as*
 10 *defined in section 26(b)) plus the tax imposed by*
 11 *section 55, over*

12 “(B) *the sum of the credits allowable under*
 13 *this part (other than subpart C and this sub-*
 14 *part).*

15 “(2) *CARRYOVER OF UNUSED CREDIT.*—*If the*
 16 *credit allowable under subsection (a) exceeds the limi-*
 17 *tation imposed by paragraph (1) for such taxable*
 18 *year, such excess shall be carried to the succeeding*
 19 *taxable year and added to the credit allowable under*
 20 *subsection (a) for such taxable year (determined be-*
 21 *fore the application of paragraph (1) for such suc-*
 22 *ceeding taxable year).*

23 “(d) *QUALIFIED TAX CREDIT BOND.*—*For purposes of*
 24 *this section—*

1 “(1) *QUALIFIED TAX CREDIT BOND.*—*The term*
 2 *‘qualified tax credit bond’ means a manufacturing re-*
 3 *development bond (as defined in section 1400U–3)*
 4 *which is part of an issue that meets the requirements*
 5 *of paragraphs (2), (3), (4), (5), and (6).*

6 “(2) *SPECIAL RULES RELATING TO EXPENDI-*
 7 *TURES.*—

8 “(A) *IN GENERAL.*—*An issue shall be treat-*
 9 *ed as meeting the requirements of this paragraph*
 10 *if, as of the date of issuance, the issuer reason-*
 11 *ably expects—*

12 “(i) *100 percent or more of the avail-*
 13 *able project proceeds to be spent for 1 or*
 14 *more qualified purposes within the 3-year*
 15 *period beginning on such date of issuance,*
 16 *and*

17 “(ii) *a binding commitment with a*
 18 *third party to spend at least 10 percent of*
 19 *such available project proceeds will be in-*
 20 *curring within the 6-month period beginning*
 21 *on such date of issuance.*

22 “(B) *FAILURE TO SPEND REQUIRED*
 23 *AMOUNT OF BOND PROCEEDS WITHIN 3 YEARS.*—

24 “(i) *IN GENERAL.*—*To the extent that*
 25 *less than 100 percent of the available project*

1 *proceeds of the issue are expended by the*
2 *close of the expenditure period for 1 or more*
3 *qualified purposes, the issuer shall redeem*
4 *all of the nonqualified bonds within 90 days*
5 *after the end of such period. For purposes of*
6 *this paragraph, the amount of the non-*
7 *qualified bonds required to be redeemed*
8 *shall be determined in the same manner as*
9 *under section 142.*

10 “(ii) *EXPENDITURE PERIOD.*—*For*
11 *purposes of this subpart, the term ‘expendi-*
12 *ture period’ means, with respect to any*
13 *issue, the 3-year period beginning on the*
14 *date of issuance. Such term shall include*
15 *any extension of such period under clause*
16 *(iii).*

17 “(iii) *EXTENSION OF PERIOD.*—*Upon*
18 *submission of a request prior to the expira-*
19 *tion of the expenditure period (determined*
20 *without regard to any extension under this*
21 *clause), the Secretary may extend such pe-*
22 *riod if the issuer establishes that the failure*
23 *to expend the proceeds within the original*
24 *expenditure period is due to reasonable*
25 *cause and the expenditures for qualified*

1 *purposes will continue to proceed with due*
2 *diligence.*

3 “(C) *QUALIFIED PURPOSE.*—*For purposes*
4 *of this paragraph, the term ‘qualified purpose’*
5 *means a purpose specified in section 1400U–*
6 *3(a)(1).*

7 “(D) *REIMBURSEMENT.*—*For purposes of*
8 *this subtitle, available project proceeds of an*
9 *issue shall be treated as spent for a qualified*
10 *purpose if such proceeds are used to reimburse*
11 *the issuer for amounts paid for a qualified pur-*
12 *pose after the date that the Secretary makes an*
13 *allocation of bond limitation with respect to such*
14 *issue, but only if—*

15 “(i) *prior to the payment of the origi-*
16 *nal expenditure, the issuer declared its in-*
17 *tent to reimburse such expenditure with the*
18 *proceeds of a qualified tax credit bond,*

19 “(ii) *not later than 60 days after pay-*
20 *ment of the original expenditure, the issuer*
21 *adopts an official intent to reimburse the*
22 *original expenditure with such proceeds,*
23 *and*

1 “(iii) the reimbursement is made not
2 later than 18 months after the date the
3 original expenditure is paid.

4 “(3) *REPORTING.*—An issue shall be treated as
5 meeting the requirements of this paragraph if the
6 issuer of qualified tax credit bonds submits reports
7 similar to the reports required under section 149(e).

8 “(4) *SPECIAL RULES RELATING TO ARBI-*
9 *TRAGE.*—

10 “(A) *IN GENERAL.*—An issue shall be treat-
11 ed as meeting the requirements of this paragraph
12 if the issuer satisfies the requirements of section
13 148 with respect to the proceeds of the issue.

14 “(B) *SPECIAL RULE FOR INVESTMENTS*
15 *DURING EXPENDITURE PERIOD.*—An issue shall
16 not be treated as failing to meet the requirements
17 of subparagraph (A) by reason of any investment
18 of available project proceeds during the expendi-
19 ture period.

20 “(C) *SPECIAL RULE FOR RESERVE*
21 *FUNDS.*—An issue shall not be treated as failing
22 to meet the requirements of subparagraph (A) by
23 reason of any fund which is expected to be used
24 to repay such issue if—

1 “(i) such fund is funded at a rate not
2 more rapid than equal annual installments,

3 “(ii) such fund is funded in a manner
4 that such fund will not exceed the amount
5 necessary to repay the issue if invested at
6 the maximum rate permitted under clause
7 (iii), and

8 “(iii) the yield on such fund is not
9 greater than the discount rate determined
10 under paragraph (5)(B) with respect to the
11 issue.

12 “(5) MATURITY LIMITATION.—

13 “(A) IN GENERAL.—An issue shall not be
14 treated as meeting the requirements of this para-
15 graph if the maturity of any bond which is part
16 of such issue exceeds the maximum term deter-
17 mined by the Secretary under subparagraph (B).

18 “(B) MAXIMUM TERM.—During each cal-
19 endar month, the Secretary shall determine the
20 maximum term permitted under this paragraph
21 for bonds issued during the following calendar
22 month. Such maximum term shall be the term
23 which the Secretary estimates will result in the
24 present value of the obligation to repay the prin-
25 cipal on the bond being equal to 50 percent of the

1 *face amount of such bond. Such present value*
 2 *shall be determined using as a discount rate the*
 3 *average annual interest rate of tax-exempt obli-*
 4 *gations having a term of 10 years or more which*
 5 *are issued during the month. If the term as so*
 6 *determined is not a multiple of a whole year,*
 7 *such term shall be rounded to the next highest*
 8 *whole year.*

9 “(e) *OTHER DEFINITIONS.—For purposes of this sub-*
 10 *chapter—*

11 “(1) *CREDIT ALLOWANCE DATE.—The term*
 12 *‘credit allowance date’ means—*

13 “(A) *March 15,*

14 “(B) *June 15,*

15 “(C) *September 15, and*

16 “(D) *December 15.*

17 *Such term includes the last day on which the bond is*
 18 *outstanding.*

19 “(2) *BOND.—The term ‘bond’ includes any obli-*
 20 *gation.*

21 “(3) *STATE.—The term ‘State’ includes the Dis-*
 22 *trict of Columbia and any possession of the United*
 23 *States.*

24 “(4) *AVAILABLE PROJECT PROCEEDS.—The term*
 25 *‘available project proceeds’ means—*

1 “(A) the excess of—

2 “(i) the proceeds from the sale of an
3 issue, over

4 “(ii) the issuance costs financed by the
5 issue (to the extent that such costs do not
6 exceed 2 percent of such proceeds), and

7 “(B) the proceeds from any investment of
8 the excess described in subparagraph (A).

9 “(f) CREDIT TREATED AS INTEREST.—For purposes of
10 this subtitle, the credit determined under subsection (a)
11 shall be treated as interest which is includible in gross in-
12 come.

13 “(g) S CORPORATIONS AND PARTNERSHIPS.—In the
14 case of a tax credit bond held by an S corporation or part-
15 nership, the allocation of the credit allowed by this section
16 to the shareholders of such corporation or partners of such
17 partnership shall be treated as a distribution.

18 “(h) BONDS HELD BY REGULATED INVESTMENT COM-
19 PANIES AND REAL ESTATE INVESTMENT TRUSTS.—If any
20 qualified tax credit bond is held by a regulated investment
21 company or a real estate investment trust, the credit deter-
22 mined under subsection (a) shall be allowed to shareholders
23 of such company or beneficiaries of such trust (and any
24 gross income included under subsection (f) with respect to
25 such credit shall be treated as distributed to such share-

1 holders or beneficiaries) under procedures prescribed by the
2 Secretary.”.

3 (2) *REPORTING*.—Subsection (d) of section 6049
4 of such Code (relating to returns regarding payments
5 of interest) is amended by adding at the end the fol-
6 lowing new paragraph:

7 “(9) *REPORTING OF CREDIT ON QUALIFIED TAX*
8 *CREDIT BONDS*.—

9 “(A) *IN GENERAL*.—For purposes of sub-
10 section (a), the term ‘interest’ includes amounts
11 includible in gross income under section 54A
12 and such amounts shall be treated as paid on the
13 credit allowance date (as defined in section
14 54A(e)(1)).

15 “(B) *REPORTING TO CORPORATIONS, ETC*.—
16 Except as otherwise provided in regulations, in
17 the case of any interest described in subpara-
18 graph (A) of this paragraph, subsection (b)(4) of
19 this section shall be applied without regard to
20 subparagraphs (A), (H), (I), (J), (K), and
21 (L)(i).

22 “(C) *REGULATORY AUTHORITY*.—The Sec-
23 retary may prescribe such regulations as are nec-
24 essary or appropriate to carry out the purposes
25 of this paragraph, including regulations which

1 *require more frequent or more detailed report-*
 2 *ing.”.*

3 (3) *OTHER CONFORMING AMENDMENTS RELATED*
 4 *TO TAX CREDIT BONDS.—*

5 (A) *Sections 54(c)(2) and 1400N(l)(3)(B) of*
 6 *such Code are each amended by striking “sub-*
 7 *part C” and inserting “subparts C and I”.*

8 (B) *Section 1397E(c)(2) of such Code is*
 9 *amended by striking “subpart H” and inserting*
 10 *“subparts H and I”.*

11 (C) *Section 6401(b)(1) of such Code is*
 12 *amended by striking “and H” and inserting “H,*
 13 *and I”.*

14 (D) *The heading of subpart H of part IV of*
 15 *subchapter A of chapter 1 of such Code is*
 16 *amended by striking “**Certain Bonds**” and*
 17 *inserting “**Clean Renewable Energy***
 18 ***Bonds**”.*

19 (E) *The table of subparts for part IV of sub-*
 20 *chapter A of chapter 1 of such Code is amended*
 21 *by striking the item relating to subpart H and*
 22 *inserting the following new items:*

“SUBPART H—NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE
ENERGY BONDS

“SUBPART I—QUALIFIED TAX CREDIT BONDS”.

1 (d) *CLERICAL AMENDMENT.*—*The table of parts for*
2 *subchapter Y of chapter 1 of such Code is amended by add-*
3 *ing at the end the following new item:*

“PART III—MANUFACTURING REDEVELOPMENT BONDS”.

4 (e) *EFFECTIVE DATE.*—

5 (1) *IN GENERAL.*—*Except as otherwise provided*
6 *in this subsection, the amendments made by this sec-*
7 *tion shall apply to taxable years ending after the date*
8 *of the enactment of this Act.*

9 (2) *BOND PROVISIONS.*—*Sections 1400U–3 and*
10 *1400U–4 of the Internal Revenue Code of 1986 (as*
11 *added by subsection (a)), and the amendments made*
12 *by subsection (c), shall apply to obligations issued*
13 *after the date of the enactment of this Act.*

14 (3) *WORK OPPORTUNITY TAX CREDIT.*—*The*
15 *amendments made by subsection (b) shall apply to in-*
16 *dividuals who begin work for the employer after the*
17 *date of the enactment of this Act.*

18 **SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTER-**
19 **EST ALLOCATION.**

20 (a) *IN GENERAL.*—*Paragraphs (5)(D) and (6) of sec-*
21 *tion 864(f) of the Internal Revenue Code of 1986 are each*

1 *amended by striking “December 31, 2008” and inserting*
2 *“December 31, 2011”.*

3 *(b) EFFECTIVE DATE.—The amendments made by this*
4 *section shall apply to taxable years beginning after Decem-*
5 *ber 31, 2008.*

Union Calendar No. 262

110TH CONGRESS
1ST Session

H. R. 3920

[Report No. 110-414, Part I]

A BILL

To amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, and for other purposes.

OCTOBER 29, 2007

Reported from the Committee on Ways and Means with
an amendment

OCTOBER 29, 2007

Committees on Education and Labor and Energy and Commerce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed